4667. By Mr. LAMBERTSON: Petition of 91 citizens of Topeka, Kans., urging the passage of legislation for the benefit of old-age pensioners, signed by W. E. Stewart, president, 329 Liberty Street, Topeka, Kans., and the secretary, Ida Brown, 227 Jefferson Street, Topeka, Kans.; to the Committee on Labor.

4668. By Mr. LINDSAY: Petition of the Iron Molders Union, No. 96, Brooklyn, N.Y., favoring the enactment of the Wagner-Lewis bill; to the Committee on Labor.

4669. Also, petition of the American Federation of Labor, Washington, D.C., favoring the enactment of the Connery 30-hour week bill; to the Committee on Labor.

4670. Also, petition of the Order of Railway Conductors of America, S. N. Berry, president, favoring the Hatfield-Wagner pension bill (S. 3231) and House bills 9596 and 9597; to the Committee on Interstate and Foreign Commerce.

4671. Also, petition of the New Jersey Broadcasting Corporation, radio Station WAOM, favoring all restictions relating to separation of families be removed from the present immigration laws; to the Committee on Immigration and Naturalization.

4672. By Mr. RUDD: Petition of De Soto Council, No. 327, Knights of Columbus, New York City, favoring the proposed amendment to section 301, of Senate bill 2910, and the proposed amendment to House bill 8301, page 67, between lines 7 and 8, new section 507; to the Committee on Interstate and Foreign Commerce.

4673. Also, petition of the New Jersey Broadcasting Corporation, Station WHOM, favoring all restrictions relating to separation of families be removed from our present immigration law; to the Committee on Immigration and Naturalization.

4674. Also, petition of the Order of Railway Conductors of America, favoring the Hatfield-Wagner pension bill (S. 3231) and House bills 9596 and 9597; to the Committee on Interstate and Foreign Commerce.

4675. Also, petition of Commercial Credit Union, Brooklyn, N.Y., favoring the passage of Senate bill 1639; to the Committee on Banking and Currency.

4676. Also, petition of the Iron Moulders Union, No. 96, Brooklyn, N.Y., favoring the passage of the Wagner-Lewis bill; to the Committee on Labor.

4677. By Mr. SMITH of Washington: Petition containing approximately 400 names of residents in southwest Washington, in behalf of the Townsend old-age revolving pension plan; to the Committee on Labor.

4678. By Mr. TERRELL of Texas (by request): Petition memorializing Congress to enact an old-age pension law; to the Committee on Labor.

4679. By the SPEAKER: Petition of the provincial government of Abra, Bangued, P.I., bespeaking its gratitude for the enactment of the Philippine independence bill; to the Committee on Insular Affairs.

4680. Also, petition of the municipal government of Abulug, Province of Cagayan, P.I., bespeaking its gratitude for the enactment of the Philippine independence bill; to the Committee on Insular Affairs.

4681. Also, petition of the Parent Teachers' Association of Assumption Congregation, West Allis, Wis., supporting the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

4682. Also, petition of the Central Illinois S.N.P.J. Federation, Virden, Ill., supporting House bill 7598; to the Committee on Labor.

4683. Also, petition of the Burroughs Citizens Association, Washington, D.C., with respect to the budget of the District of Columbia; to the Committee on Appropriations.

SENATE

FRIDAY, MAY 18, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Thursday, May 17, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Reynolds
Ashurst	Cutting	Keyes	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	Logan	Russell
Bailey	Dieterich	Lonergan	Schall
Bankhead	Dill	Long	Shipstead
Barkley	Duffy	McCarran	Smith
Black	Erickson	McGill	Steiwer
Bone	Fess	McKellar	Stephens
Borah	Fletcher	McNary	Thomas, Okla.
Brown	Frazier	Metcalf	Thomas, Utah
Bulkley	George	Murphy	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Carey	Hale	Nye	Van Nuys
Clark	Harrison	O'Mahoney	Wagner
Connally	Hastings	Overton	Walcott
Coolidge	Hatch	Patterson	Walsh
Copeland	Hayden	Pittman	Wheeler
Costigan	Johnson	Pope	White

Mr. ROBINSON of Arkansas. I announce that the Senator from California [Mr. McADOO] is absent because of illness; and that the junior Senator from Arkansas [Mrs. CARAWAY], the Senator from Oklahoma [Mr. GORE], the Senator from Texas [Mr. SHEPPARD], the Senator from Florida [Mr. TRAMMELL], and the Senator from Illinois [Mr. LEWIS] are necessarily detained from the Senate.

Mr. FESS. I desire to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from West Virginia [Mr. HATFIELD], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Pennsylvania [Mr. REED], and the Senator from Rhode Island [Mr. HEBERT] are necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

NOMINATION OF CADETS TO BE ENSIGNS IN THE COAST GUARD

As in executive session,

Mr. STEPHENS. Mr. President, the graduating exercises of the Coast Guard Academy will be held within a few days. Five young men will be graduated from the academy, and their nominations to be ensigns in the Coast Guard have been sent to the Senate and referred to the Committee on Commerce. From that committee I report favorably the nominations, and ask unanimous consent that, as in executive session, the nominations of these five young men be confirmed.

Mr. HARRISON. Mr. President, may I ask the Senator if there will be any discussion about the confirmation of the nominations?

Mr. STEPHENS. I think not. I have conferred with the two leaders with regard to this matter. As I have said, the exercises will be held in a very few days, and it is desired that commissions may be presented to the young men on their graduation.

Mr. McNARY. Mr. President, is this the matter about which the Senator spoke to me yesterday?

Mr. STEPHENS. It is.

Mr. McNARY. For the RECORD, I suggest that the Senator make a statement touching the reasons why immediate action is desired.

Mr. STEPHENS. Mr. President, as I have said, the graduating exercises of the Coast Guard Academy will be held within a few days. There will be five graduates, and the nominations of those five young men to be ensigns in the Coast Guard have been sent to the Senate. The nominations promoting them from cadets to ensigns were referred to the Committee on Commerce, from which I have reported them favorably. I ask unanimous consent for the confirmation of the nominations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Mississippi? The Chair hears none, and the nominations will be read.

The Chief Clerk read as follows:

The following-named cadets to be ensigns in the Coast Guard of the United States, to rank as such from May 28, 1934:
Walter Stephen Bakutis.
Edgar Vigo Carlson.
Thomas James Eugene Crotty.
Evor Samuel Kerr, Jr.
Clarence Milton Speight.

The VICE PRESIDENT. Without objection, the nominations are confirmed.

Mr. STEPHENS. Mr. President, in view of the circumstances, I ask that the President be notified of the confirmation of the nominations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MONTHLY REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Emergency Relief Administration, transmitting, pursuant to law, the report of the Federal Emergency Relief Administrator covering the period from February 1 to February 28, 1934, inclusive, which, with the accompanying report, was ordered to lie on the table.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram from Mrs. Ernest R. Grant, executive secretary, District Tuberculosis Association, dated Cincinnati, Ohio, May 17, 1934, embodying a resolution adopted by the National Tuberculosis Association favoring the making of appropriations for tuberculosis control and prevention, and the immediate erection of a new and adequate adult tuberculosis sanitarium in and for the city of Washington, D.C., staffed with the best available experts and provided with modern equipment, which was referred to the Committee on Appropriations.

He also laid before the Senate a telegram in the nature of a petition from a committee of the Railroad Employees' National Pension Association, Fayette Chapter, No. 506, Lexington, Ky., praying for the passage of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which was ordered to lie on the table.

Mr. COPELAND presented a petition of sundry citizens, being members of David J. O'Connell Auxiliary, No. 2264, Veterans of Foreign Wars of the United States, of Ozone Park, N.Y., praying for the enactment of legislation to pay the adjusted-compensation certificates (bonus) of ex-service men, which was referred to the Committee on Finance.

He also presented a resolution adopted at a meeting of the New York League of Women Voters, Second Assembly District, Nassau County, N.Y., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of New York City and Brooklyn, N.Y., praying for the enactment of legislation authorizing the reunion of families separated from their near and dependent relatives abroad, which were referred to the Committee on Immigration.

He also presented a resolution adopted by the Woman's Missionary Society of Medina, N.Y., favoring the passage of House bill 6097, providing higher moral standards for films entering interstate and foreign commerce, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens, being members of Albany Lodge, No. 861, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, Albany, N.Y., praying for the enactment of pending amendments to the Railway Labor Act, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Men's Club of Arcade, N.Y., favoring the passage of the bill (S. 3171) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by motor carriers operating in interstate or foreign commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a petition of several citizens of New York City, N.Y., praying for the passage of the so-called "Dunn bill", being the bill (H.R. 8520) to authorize the operation of stands in Federal buildings by blind persons, to create a bureau for the blind in the Post Office Department, to issue licenses to blind persons for the operation of such stands, and to supervise the same, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Mechanicville and vicinity, in the State of New York, praying for the passage of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which was ordered to lie on the table.

COMPANY UNIONS—WORKING CONDITIONS OF EMPLOYEES

Mr. WAGNER presented a resolution in the nature of a petition adopted at the annual session of the New York East Conference of the Methodist Episcopal Church, held in the Central Methodist Episcopal Church, Brooklyn, N.Y., composed of approximately 300 ministers, which was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Whereas in recent months there has been a rapid growth in employer-dominated company unions and these unions have become a serious menace to the rights of the workers to organize into independent unions and bargain collectively through representatives of their own choosing, rights which the social creed of the Methodist Episcopal Church declares employees should have, we petition our representatives in the Congress of the United States to enact legislation which will make it illegal for a corporation or company to intimidate, coerce, or unfairly influence their employees in any way to join an employer initiated, financed, or controlled organization dealing with wages, hours, and grievances relating to conditions of work.

HOME MODERNIZATION PROGRAM

Mr. WAGNER also presented a resolution adopted by the New York State League of Savings and Loan Associations at Buffalo, N.Y., which was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Whereas a comprehensive program to modernize, rehabilitate, and repair American homes at this time would greatly contribute to the restoration of the building industry, would put hundreds of thousands of American workmen back to work, would put millions of idle dollars into circulation, and would restore depreciated values in the home real-estate market; and

Whereas the Federal administration is planning to promote such a campaign on an unprecedently large scale; and

Whereas the savings and loan associations of New York State are admirably equipped by experience and close contact with their 500,000 members, some 300,000 of whom own their own homes, to assume an important role in the successful promotion of such a modernization program: Therefore be it

Resolved, That the executive committee of the New York State League of Savings and Loan Associations inaugurate a campaign among its 240 member associations in every section of this State to set in motion at once a home-modernization program; that this campaign be carried on through these member associations to their 300,000 home-owning members; that every cooperation be extended between these member associations and their central banking institutions to make available sufficient capital to supply every need of the modernizing home owner; and be it further

Resolved, That copies of this resolution be forwarded to the President of the United States, to the New York State Members of Congress, and to the Governor of New York State.

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the bill (S. 3040) to give the Supreme Court of the United States authority to make and publish rules in actions at law, reported it without amendment and submitted a report (No. 1049) thereon.

Mr. STEIWER, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg. (Rept. No. 1050);

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218) (Rept. No. 1051); and

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218) (Rept. No. 1052).

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 3568) to amend section 824 of the Code of Laws for the District of Columbia, reported it without amendment and submitted a report (No. 1053) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 854) for the relief of the Ingram-Day Lumber Co., reported it with amendments and submitted a report (No. 1054) thereon.

He also, from the same committee, to which was referred the bill (S. 3151) to cancel certain Government liens on lands within the King Hill Irrigation District, State of Idaho, reported it with amendments and submitted a report (No. 1055) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes ", approved May 25, 1926, with respect to certain lands in the Langell Valley Irrigation District (Rept. No. 1060); and

S. 3375. An act to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes (Rept. No. 1057).

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 3499) for the relief of Michael Ilitz, reported it without amendment and submitted a report (No. 1056) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 2287. An act for the relief of Warren Burke (Rept. No. 1061);

H.R. 3167. An act for the relief of Sue Hall Erwin (Rept. No. 1062);

H.R. 3423. An act for the relief of Benjamin Wright, deceased (Rept. No. 1063); and

H.R. 4962. An act for the relief of Joseph B. Lynch (Rept. No. 1064).

ENROLLED BILLS PRESENTED

Mr. LONERGAN, from the Committee on Enrolled Bills, reported that on the 17th instant that committee presented to the President of the United States the following enrolled bills:

S. 258. An act for the relief of Wallace E. Ordway;

S. 1982. An act to add certain lands to the Mount Hood National Forest in the State of Oregon;

S. 2080. An act to provide punishment for killing or assaulting Federal officers;

S. 2249. An act applying the powers of the Federal Government, under the commerce clause of the Constitution, to extortion by means of telephone, telegraph, radio, oral message, or otherwise;

S. 2252. An act to amend the act forbidding the transportation of kidnaped persons in interstate commerce;

S. 2253. An act making it unlawful for any person to flee from one State to another for the purpose of avoiding prosecution in certain cases;

S. 2575. An act to define certain crimes against the United States in connection with the administration of Federal penal and correctional institutions and to fix the punishment therefor;

S. 2841. An act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System; and

S. 3364. An act for the relief of G. T. Fleming.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. STEPHENS, from the Committee on Commerce, reported favorably the nominations of several officers in the Coast Guard to be lieutenants (junior grade), to rank as such from the dates set opposite their names, as follows:

Ensign Harold A. T. Bernson, May 15, 1933;

Ensign George W. Dick, May 15, 1933; and

Ensign Russell J. Roberts, June 7, 1933.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERTON:

A bill (S. 3639) for the relief of Joseph W. Ludlum and the estate of Oliver Keith Ludlum; to the Committee on Claims.

A bill (S. 3640) granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 3641) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.; to the Committee on Commerce.

By Mr. McNARY:

A bill (S. 3642) authorizing the survey, location, and construction of a highway to connect the northwestern part of continental United States with British Columbia, Yukon Territory, and the Territory of Alaska; to the Committee on Agriculture and Forestry.

By Mr. WHEELER (by request):

A bill (S. 3643) authorizing certain employees in the Indian Service to administer oaths; to the Committee on Indian Affairs.

By Mr. PITTMAN:

A bill (S. 3644) to provide for the assignment of a military instructor for the high-school cadets of Washington, D.C.; to the Committee on Military Affairs.

By Mr. WHEELER (by request):

A bill (S. 3645) to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes; to the Committee on Indian Affairs.

ECONOMIC CONDITION OF AGRICULTURAL PRODUCERS

Mr. WHEELER. Mr. President, I ask unanimous consent to introduce a joint resolution, and request that it be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, the resolution will be received, referred as requested, and printed in the RECORD.

The joint resolution (S.J.Res. 124) authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Joint resolution authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally

Whereas the decline in agricultural income and the unsatisfactory condition of agriculture and of those engaged therein is a matter of increasing concern to the Congress, and affects the general welfare of the Nation and its citizens; and

Whereas in recent years the agricultural income has decreased while the earnings and profits of concerns processing or dealing in certain lines of farm products have increased or declined only moderately; and

Whereas there has developed an increasingly large proportionate spread between the prices received by the farmer for his products and the prices paid therefor by the consumer; and

Whereas, according to the latest statistics of income published by the Bureau of Internal Revenue, 22 large corporations reported making over 45 percent of the gross sales of all corporations engaged in the processing and manufacture of food products in 1931, and 102 large corporations reported making 60 percent of the gross sales of such corporations; and

Whereas it is charged that monopolistic, oppressive, and unfair methods and practices of various middlemen, processors, manufacturers, packers, and handlers are in whole or in part responsible for the conditions above described, and that wasteful and uneconomic methods have contributed toward bringing about these conditions; and

Whereas it is charged that said various middlemen, processors, manufacturers, packers, handlers, and others have violated the various antitrust laws of the United States, that they have burdened, restricted, and restrained interstate and foreign commerce and adversely affected the volume and price of farm products moving in intrastate and foreign commerce; and

Whereas it is charged that many lines of processing or dealing in farm products are so dominated by a handful of large concerns as to impede the free flow of interstate and foreign commerce to the detriment of both the farmer and the consumer; and

Whereas it is charged that through the payment of high and excessive salaries and other devices said middlemen, processors, manufacturers, packers, and others escape just taxation by the United States, that said salaries tend unduly to diminish the tax revenues of the United States and tend to burden and restrain interstate and foreign commerce in farm products, and to divert and conceal the earnings and profits of the concerns paying said salaries, and that by various devices those receiving said salaries escape their just share of Federal taxation; and

Whereas it is believed that the Congress should consider whether new legislation should be enacted or existing legislation amended on any of the subjects hereinbefore described and in aid thereof should be informed on all of said subjects: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Trade Commission is hereby authorized and directed to investigate and report at the next session of Congress:

First. (1) The extent of the decline in agricultural income in recent years, including the amount and percentage of such decline;

(2) The extent of the increases or decreases in recent years in the income of the principal corporations and other manufacturers and/or processors of the principal farm products, as compared with the decline in agricultural income, including the amount and percentage of such changes;

(3) The proportion of total consumer cost of representative products manufactured or processed from the principal farm products which is represented by the proceeds received by (a) the farmer, (b) the manufacturers and processors, and (c) the distributors of such principal farm products and such representative products manufactured therefrom.

Second. The financial position of the principal corporations engaged in the manufacturing, processing, distribution, and marketing of the representative major products manufactured from such principal farm products, including—

(1) The capitalization and assets of such corporations and the means and sources of the growth of such capitalization and assets.

(2) The investment, costs, profits, and rates of return of such corporations.

(3) The salaries of the officers of such companies.

(4) The extent to which said corporations avoid income taxes, if at all, and the extent to which officers receiving such salaries paid income taxes thereon.

Third. The extent of concentration of control and of monopoly in the manufacturing, processing, distribution, and marketing of representative major farm products which is maintained or has been obtained by any corporation or other organization, including—

(1) Methods and devices used by such corporations for obtaining and maintaining their control or monopoly of the manufacturing, marketing, processing, and distribution of such commodities, and the proportion of any such major farm commodity handled by each of the large units involved.

(2) The extent to which fraudulent, dishonest, unfair, and injurious methods are employed in the grading, warehousing, and transportation of such farm products, including combinations, monopolies, price fixing, and manipulation of prices on the commodity exchanges.

Fourth. The extent to which the cooperative agencies have entered into the processing and marketing of representative major farm products and the general effects of such cooperative agencies upon the producer and consumer.

5. The extent to which other countries have adopted or promoted processing and marketing agencies of a public, quasi-public or cooperative sort for the simplification and cheapening of the processing and marketing of agricultural products, and other administrative agencies which may have been set up for the protection of the farmer-producer and the consumer.

6. Any conclusions and/or recommendations with regard to increasing the income of farm producers or other recommendations with regard to the improvement of the economic position of farmers or consumers growing out of the inquiry.

SEC. 2. The Department of Agriculture, the National Recovery Administration, the Department of Justice, and other agencies of the Government are directed to cooperate with the Commission in such inquiry to the fullest extent possible.

SEC. 3. For the purposes of this resolution the Federal Trade Commission shall have the same right to obtain data and to inspect income-tax returns as the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, and to submit any relevant or useful information thus obtained to the Congress or to either House thereof.

SEC. 4. For the purpose of carrying out this resolution the Federal Trade Commission, the Attorney General, and the courts of the United States shall have and may exercise all of the powers and jurisdiction severally conferred upon them by the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes ", approved September 28, 1914.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, which shall be available for expenditure as the Federal Trade Commission may direct, for expenses and all necessary disbursements, including salaries, in carrying out this resolution and prosecuting litigation necessary in aid of the powers conferred hereunder.

SEC. 6. The Federal Trade Commission is directed to present an interim report to the Congress on January 1, 1935, describing the progress made and the status of its work hereunder, and a final report with recommendations for legislation not later than July 1, 1935.

SALE OF ARMS AND MUNITIONS

Mr. PITTMAN. Mr. President, I ask unanimous consent to introduce a joint resolution and ask its reference to the Committee on Foreign Relations. It is an administration resolution. A similar joint resolution will be introduced in the House on Monday by Mr. MCREYNOLDS, Chairman of the Foreign Affairs Committee. I should like to have the joint resolution read.

The VICE PRESIDENT. Without objection, the joint resolution will be read.

The joint resolution (S.J.Res. 125) to prohibit the sale of arms or munitions of war in the United States under certain conditions was read the first time by its title and the second time at length, as follows:

Joint resolution to prohibit the sale of arms or munitions of war in the United States under certain conditions

Resolved, etc., That if the President finds that the prohibition of the sale of arms and munitions of war in the United States to those countries now engaged in armed conflict in the Chaco may contribute to the reestablishment of peace between those countries, and if after consultation with the governments of other American republics and with their cooperation, as well as that of such other governments as he may deem necessary, he makes proclamation to that effect, it shall be unlawful to sell, except under such limitations and exceptions as the President prescribes, any arms or munitions of war in any place in the United States to the countries now engaged in that armed conflict, or to any person, company, or association acting in the interest of either country, until otherwise ordered by the President or by Congress.

SEC. 2. Whoever sells any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding $10,000 or by imprisonment not exceeding 2 years, or both.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Foreign Relations.

RECIPROCAL TARIFF AGREEMENTS—AMENDMENTS

Mr. WALSH. Mr. President, I submit an amendment to the pending measure. It is very brief and I ask that it may be printed, printed in the RECORD, and lie on the table.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. WALSH to the bill (H.R. 8687) to amend the Tariff Act of 1930, viz:

On Page 6, line 6, after the words "public notice", to insert "of at least 10 days", so as to read:

SEC. 4. Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, public notice of at least 10 days of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, etc.

Mr. JOHNSON submitted two amendments intended to be proposed by him to the bill (H.R. 8687) to amend the Tariff Act of 1930, which were ordered to lie on the table and to be printed.

ELECTION OF PRESIDENT AND VICE PRESIDENT—AMENDMENT TO CONSTITUTION

Mr. NORRIS submitted two amendments intended to be proposed by him to the joint resolution (S.J.Res. 29) proposing an amendment to the Constitution of the United States providing for the popular election of President and Vice President of the United States, which were ordered to lie on the table and to be printed.

EXPENSES OF SPECIAL COMMITTEE ON INVESTIGATION OF MUNITIONS INDUSTRY

Mr. NYE. Mr. President, since the formation of the committee to investigate the munitions industry, there has been a very general and decided opinion by the committee members that not a sufficient amount of money has been provided to carry on the investigation. Originally $50,000 was requested. At the time of the adoption of the resolution the Committee to Audit and Control the Contingent Expenses of the Senate granted $15,000. As a result of a meeting of the special committee this afternoon, we were unanimous in authorizing the introduction of the resolution which I send to the desk at this time. I ask that it may be read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read the resolution (S.Res. 244), as follows:

Resolved, That the special committee appointed by the Vice President, under authority of Senate Resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $35,000 in addition to the amount heretofore authorized to be expended for the purposes set forth in said resolution.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

SILVER IN OUR MONETARY SYSTEM—ADDRESS BY SENATOR PITTMAN

Mr. ADAMS. Mr. President, I ask unanimous consent to have published in the RECORD a most instructive and interesting address delivered before the Academy of Political Science on March 21, 1934, on the subject of Silver in Our Monetary System, by Hon. KEY PITTMAN, senior Senator from Nevada, who is recognized not only by his fellow Senators but by all students of monetary questions as an authority on monetary problems.

Senator PITTMAN's study of these problems has extended through a long and notable career in the United States Senate and has taken him to all the important countries of both Europe and Asia.

Senator PITTMAN is recognized as one of the ablest, most energetic, and influential of the advocates of the restoration of silver to its historic place in world finance. His efforts in behalf of this cause have been continuous and consistent. He has never hesitated or faltered in his devoted efforts and has always held the admiration and respect of all those who have disagreed with or opposed him.

The country now seems almost assured at the present session of Congress of silver legislation of greater importance and value than has been enacted for over 50 years. Much of the credit for this accomplishment will be due to the adroit, able, and scholarly leadership of Senator PITTMAN.

This address by this international monetary authority, and the leader to whom we are indebted for the international silver agreement resulting from the recent world conference at London, will be found of great interest and value to all who are interested in monetary problems.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SILVER IN OUR MONETARY SYSTEM

By Hon. KEY PITTMAN, United States Senator from Nevada

Permit me to express my pleasure in the honor you have conferred upon me by giving me this opportunity to express very briefly my opinion on the subject of silver in our monetary system. I say "express my opinion", because in 20 minutes it is impossible to make a complete argument.

The question is not whether we shall establish silver as a part of our monetary system, but whether we shall remove the restrictions that now exist as to the use of silver and permit its operation as currency and metallic base to the fullest extent.

At the present time, in approximate figures, our total currency is around $9,000,000,000. Of this amount a little over $800,000,000 is silver currency. I am attempting in this brief statement to avoid dealing in exact statistics. I hope, rather, to express the principle underlying my opinion.

I am quite conscious of the general belief in high economic circles, and among many of the peoples of the world, that silver is in the nature of a fiat currency, and, to say the least, but a monetary token.

For over 50 years in nearly all the great nations of the world gold has been maintained as the sole money and monetary base. It has therefore come to be considered as the only sound and safe money. I have no desire that this base shall be disturbed. It has proved to be an accurate measure of national and international values. It has served as a national measure of values and a restriction upon the unlimited issue of currency and credit. It is, of course, entirely unnecessary here to discuss the definitions of money and its functions.

In brief, however, money has been invented to serve two great purposes, namely, to provide a reservoir of surplus earnings and to function as a medium of exchange. The stability of money is most important with respect to its function as a reservoir of surplus earnings. A change in the value of money as an exchange medium is subject to compensation and is, therefore, of less importance.

A man dies and leaves to his heirs in the form of money a part of the savings of his lifetime. He hoped these savings would forever have the same exchange value as those things which he had denied himself. He believed, and had a right to believe, that the value of his money was natural and was not subject, therefore, to destruction through the vagaries or vicissitudes of governments. This belief was not blind faith. It was based upon and supported by the immutable laws of nature.

Metallic money was not the invention of any monetary financial or governmental genius. It was simply an evolution of nature. At the dawn of civilization men traded those things that they did have for those things which they did not have. This form of barter and trade was the first step in the evolution of commerce and an advancement in the standard of living. The exchange was limited by production, distances, and facilities for transportation. Neighbors found no difficulty in trading that which they produced, but the necessity for long transportation made it impossible to acquire many varied products. A measure of value of products became essential to overcome these limitations.

Producers discovered that a chunk of metal called "gold" was very rare and, by reason of this quality, was desirable. They termed it a "precious metal." One man would trade a sheep for this chunk of metal and another man would trade a cow, which contained 10 times as much food product, for 10 of these chunks of metal. And so gold became a medium for the measure of values and the exchange of products.

No government then declared that it was legal tender that could be tendered and must be accepted in payment for debts or in settlement of contracts of sale. The function of gold as money was based upon the confidence of those who used it, that it was a rare and precious metal, and so it was and is, a rare and, therefore, precious metal. It may seem a strange thing that it is rare. There is no human reason why there is not as much gold in existence as there is iron, but the history of the ages has proven that there is not.

Since the dawn of civilization it has been sought by all peoples. They have risked their lives in hard and dangerous countries; they have fought for it. Yet its production has been limited by nature, as has been the production of human beings and commerce. Both have increased, and yet both have been limited by nature. Such is the history of the origin, production, and use of gold as money. These facts are known either consciously or subconsciously by all peoples, even including our professors. Living professors, unfortunately, were born, were educated, have studied, and have existed in the modern gold-standard era. Most of them will trust nothing but nature, realizing the fallibility of the human intellect and human character. Strange to say, the same reasons that actuate them with regard to gold do not impress them with regard to silver, and yet the occurrence, production, and use of silver have been just as natural and just as limited by ratio as gold. Every argument that may be used in support of the gold standard extends to and applies with equal force to silver as a basic money.

Silver has always been recognized as a precious metal, not so rare as gold, not so precious, and, therefore, the money of the masses of the peoples of the world. Gold was the money of the monarch, the nobleman and the government; silver was the money of the peasant, the laborer, and the smaller trader. And, so, down through the ages the relative occurrence, production, and use of these two precious metals move. The history of the occurrence, production, and uses of these precious metals is clear. For over 400 years the statistics with regard to the facts attending such occurrence, production, and use are quite accurate.

It may seem strange, almost miraculous, that during all this period there has only been a small quantity of gold produced and a small quantity of silver, and that the relative production during all that period was approximately 15 ounces of silver to 1 ounce of gold.

Not more than 1,000,000,000 ounces of gold have been produced in the world since the beginning of history. Few know how small a quantity of gold there is in existence, and no one seems to realize it. Everybody, however, knows there is not enough to go around. How about silver? All monometallists who have spoken or written seem to think that the law of preciousness which applies to gold does not apply to silver. They constantly intimate that there is some great supply of silver somewhere which some day will flood the world if silver is restored to its monetary uses. As a matter of fact, the production of silver has not exceeded 15,000,000,000 ounces. There has been, of course, a tremendous depletion through abrasion, loss, and destruction of both of these metals; and today, allowing for these factors, we may only estimate the amount of gold and silver in existence. No matter what factors may be used or what estimates may be made, both metals are extremely scarce and both are entitled to the definition of precious metals.

There are other reasons besides their preciousness that gave these metals their function as money. They are practically indestructible. They always have been and are now found everywhere throughout the world in the same limited quantities and natural ratios. They were acceptable, therefore, everywhere as money.

About 400 years ago banks were originated to facilitate the transfer of money. These institutions added greatly to the safety, convenience, transfer, and velocity of money.

These banks did not defile, injure, and depreciate the value of gold and silver money, but greatly added to their functions as media of exchange. It was not until governments attempted artificially to affect the functions of gold and silver as money that the natural conditions became disturbed.

Napoleon attempted to determine and fix the ratio of value between gold and silver. The result of his studies and his acts was to fix the ratio at approximately 15½ to 1. Subsequently Great Britain arbitrarily fixed the ratio of value at approximately 16 to 1. Silver, therefore, had a greater value relative to gold in France than in England. So the final result was that gold moved to England and silver moved to France and to other countries that followed France's example. The selfish element then interposed, and England, having quantities of gold, simply said, "From now on gold and gold alone shall be the full legal tender money of England and its measure of value." Such action, of course, diminished the demand for silver but not sufficiently to affect it materially, as the rest of Europe refused to follow the action of Great Britain. And we find still that the new relativity of value of gold and silver moves on until after the Franco-Prussian War, and then large quantities of gold moved into Germany from France as war indemnities.

Governmental cupidity moved Germany to establish the gold standard. This action was followed by other countries, including the United States in 1873. These acts again reduced the demand for and depreciated the value of silver. Those governments that had large reserves of gold were benefited, while those governments that had large reserves of silver were injured. These acts, however, were not sufficient to be destructive of monetary standards because all governments, by parity acts, maintained to a limited extent the monetary qualities of silver and its legal-tender functions.

Then came the post-war management of money. Germany, burdened with an artificial debt, abandoned all hope of anchoring its currency and credit system to either gold or silver and proceeded with an unmanageable currency which proved the absurdity to which managed currency might go. Conservative France, now a protector of gold and the gold standard, depreciated its own gold-standard currency 80 percent. But why go further? This history is common knowledge. Great Britain abandoned the gold standard. We abandoned the gold standard. The result was inevitable. The exchange value of currencies depreciated, and then various countries abandoned the gold standard and threw off all restraint in currency issues.

This depreciation of the exchange value of currencies invited purchases in countries having depressed currencies, and so money became a weapon of commercial exploitation instead of a measure of values.

The great lesson learned from this experience is that nature is sounder than the human intellect and that the immutable laws of nature alone may be trusted. It has dealt a death blow, in my opinion, to the theory of a managed currency not based on gold or silver. It has demonstrated the impossibility of any stability in international exchange where currencies are based on artificial rather than natural foundations. We have got to get back to the natural, age-long, accepted metallic base for money. The desired result can never be accomplished through an international conference until the most powerful governments in the world agree on the base. Such an agreement will be reached through necessity, and then money will cease to be used as a commercial weapon and will be restored to its function as a measure of values in domestic and international commerce.

But I have drifted away from the subject assigned to me—silver in our monetary system. Silver is now and always has been a part of our monetary system. Our monetary system was established on bimetallism. This system was not changed until 1873, when we adopted monometallism. The act in itself, as far as the establishment of a single standard of measure is concerned, had little disturbing effect. A provision of the act, however, which discontinued the coinage of standard silver dollars, was a violent attack upon the natural demand for silver. Its free and full functions as money were destroyed, and, of course, there naturally followed a depression in its demand and, therefore, its value.

Learned economists state that silver is only a commodity. Of course, that is true; but it is equally true that gold is only a commodity. Neither one of them, as commodities, if their use for monetary purposes were destroyed, would be as valuable, in my opinion, as iron. These same learned scholars would say that the value of gold is stable, while the value of silver is unstable. When the chief value of anything is destroyed by governmental action it becomes unstable. Recent events have caused us to wonder whether or not even the commodity value of gold is stable.

I am not at liberty to argue further the question of the respective merits of the gold standard, bimetallism, the silver standard, or managed currencies. I am assuming for the purpose of this argument that at the present time—and possibly for ages—the fallibility of the human mind requires a natural check such as a metallic base for currency issues. Then the question arises whether we shall need both metals in the future as we have in the past with the exception of sporadic periods of governmental interference.

I hold to the position that there is not sufficient gold in existence to supply the need of specie money. I hold that there is not sufficient gold in existence to redeem paper currencies or contracts payable in gold. There was sufficient gold for these purposes as long as people believed there was. Now they know there is not enough, and therefore there is not enough. As long as peoples did not demand payments in gold there was ample gold. When peoples and governments realized there was not enough gold to go around, then all tried to obtain gold regardless of others' losses and transfers, and redemptions in gold had to cease.

I cannot conceive, however, that this condition absolutely prevents the maintenance of the gold-standard measure of the domestic and exchange value of currencies. If the chief governments of the world maintain gold in their treasuries or central banks at an agreed ratio to their currencies and utilize such gold for the payment of trade balances, it will, in my opinion, serve every purpose of the gold standard of the past. Even this use, however, will be a strain upon the gold reserves of the world.

Five countries have possession of probably two thirds of the gold of the world. This maldistribution cannot be maintained if there is to be a successful gold-standard measure. There must be a redistribution through either commercial or monetary action. In any event, the strain upon this gold reserve is inevitable.

Now, if gold is to be utilized solely in such capacity what is to be the basis of a sound and limited domestic currency? I know of no alternative except a managed domestic currency or a domestic currency based upon the precious metals. Gold will have to be used, on the theory that I have in mind, for the stabilization of international exchange and as a limitation upon currency issues. Silver, in my opinion, should be in part and largely the basis of currency issues for domestic purposes. It will not be an experiment. We have always used silver as specie currency and as a basis for currency issue. In 1900, for instance, over 30 percent of our currency was silver currency. Today it is less than 12 percent, taking any basis for the value of gold that you see fit. We could extend our silver currency in this country, if it were deemed necessary, by $1,800,000,000 and still it would not be in excess of the ratio of silver currencies to other currencies that existed in 1900. And, mind you, that estimate is based upon a valuation of 23.2 grains of gold to the dollar or $20.67 an ounce. If we should maintain the parity of silver and gold, then we could increase over 40 percent the silver-currency issue of this country without disturbing the ratio.

Our silver currency today is backed by 100 percent silver, while our Federal Reserve notes were backed by 40 percent gold. There are only credits now back of such notes. The parity value of our standard silver dollar today is $1.29, or was before the recent gold action of our Government. I do not know what it is now. The intrinsic value of our standard dollar measured by the world price of silver is 35 cents. In other words, while there was 40-percent gold back of the Federal Reserve notes there is today 35 percent back of our standard silver dollar. The intrinsic value back of our silver currency will inevitably increase rather than decrease and probably will reach 100 percent.

Whether we agree or not as to the soundness and safety of silver specie and currency we must agree that it provides a natural limitation for currency issues. There are only 12,000,000,000 ounces of silver in existence, according to the best estimates. At least, 6,000,000,000 of these ounces are hoarded in India and 2,000,000,000 similarly hoarded in China. This hoarded silver will not fly from India or China. Such is the age-long history of the movement of silver. When the world price of silver was above $1 an ounce in 1918, 1919, and 1920, the people of India and China purchased two thirds of the silver produced in the world during that period of time. Silver is their measure of wealth. It is the thing that they cherish above everything on earth. It is the thing that they pass down to their descendants; and the more valuable it becomes, the more they desire it, seek it, and hoard it.

Over 13 governments of the world carry over 30 percent of silver reserves in their treasuries and central banks.

There are bills pending in Congress looking to the acquisition of silver by our Government. All these bills have a sound and good purpose. None of them, in my opinion, will bring into our Treasury reserves as much silver as their proponents hope for. Economists of China threatened to place an embargo upon the export of silver if the United States adopted any act tending to raise the price of silver. India has limited the sale of government silver to a total of 140,000,000 ounces during a period of 4 years. Then India will have no redundant silver and will cease to sell silver.

And, so, it must be evident that a silver basis for domestic currency will be a limitation upon the issue and that probably is the most important factor with regard to currency issues. The use of silver by the great commercial countries of the world will undoubtedly stabilize its exchange value as the exchange value of gold was stabilized prior to the recent crisis.

It is extremely important in our commerce that the exchange value of silver should be stabilized. Over half of the people of the world have silver money, and only silver money, with which to purchase in other countries. When the exchange value of this silver money is extremely low, they are unable to purchase in countries such as ours. In fact, China, as an illustration, has ceased to purchase from the United States all forms of manufactured articles that it may dispense with and is rapidly becoming highly industrialized through the protection afforded to Chinese manufacturing institutions by the depreciated exchange value of silver. The Chinese banker and the Chinese industrialist are gratified by this situation. The Chinese Government, on the other hand, cannot pay its foreign debts or establish credit or develop China under such conditions. The London Conference realized this. The conference unanimously adopted the American resolution promising that the 66 participant governments would abandon the practice and policy of melting up silver coins, would replace low-valued paper currency with silver coins, and would refrain in the future from legislation that would depreciate the value of silver in the world market. The adoption of this resolution, of course, was based upon the consummation of the agreement among five governments whose countries were large producers of silver and three governments whose countries were holders and users of large quantities of silver. The latter agreement has been ratified by 6 of the 8 governments, and there is hardly any question but that the other two will ratify.

I call your attention to this fact solely for the purpose of indicating the attitude of the 66 governments of the world toward silver for monetary purposes. We in the United States are more interested in the exchange value of silver than probably any other country, unless it be Great Britain. We cannot look to Europe with much optimism for future export trade. Europe has followed our example and is utilizing every expedient to protect its own markets against imports. China and South America are now, and will be for many generations, our natural export markets. They cannot buy from us at our prices so long as we hold down to so low a point the exchange value of their silver money. No matter what standards of money the governments have, the people have only silver with which to make purchases.

Some economists contend thát we can only raise and stabilize the exchange value of silver moneys in the world through international agreement. That was undoubtedly true at one time. The world, however, has moved faster than these economists have grown. Today the United States is a creditor nation, and because of that fact, and in view of the consideration that so many nations desire the restoration and stabilization of the price of silver, our Government can accomplish this alone. There are many methods through which we may accomplish it. I would support any of the plans offered. All these plans grant discretion to the Government to prevent any sudden rise in the price of silver which might disrupt national monetary systems or existing contracts.

Our Government today, by virtue of the fact that it possesses one third of the monetary gold of the world, is in a splendid strategic position to bring about the restoration of the gold-standard measure of international exchange. It is through this power, and through this power alone, that the restoration of the gold standard can be accomplished. It will also be of great advantage for this Government to have a large silver reserve so that it may have influence in the stabilization of silver currencies throughout the world.

It is my hope, therefore, that our Government may not only maintain its silver reserves and its silver currency but that it will enlarge and fortify such reserves and aid in the stabilization of currencies throughout the world.

ADDRESS BY POSTMASTER GENERAL FARLEY BEFORE WASHINGTON CHAMBER OF COMMERCE

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and able address delivered by Hon. James A. Farley, Postmaster General, before the Washington Chamber of Commerce, Wednesday evening, May 16, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President and members of the Washington Chamber of Commerce, it is a pleasure to me to speak to those who, in a real sense, direct the business and civic life of our beautiful Capital City. Administrations come and go, but you remain the custodians of the business of this great city; the leaders of city opinion and city conscience; and let me tell you, yours is no mean responsibility. The prosperity of half a million people is to a large degree in your hands, for, unless business is conducted efficiently and people get an adequate return for what they spend, your community will languish. Prosperity does not mean merely greater profits for the merchants. I think the lesson that a contented and thriving community is a necessary element in the success of every sort of industry has been thoroughly learned in every section of the country. It is as pertinent to Washington as to any great manufacturing or trading center. It is as much up to you to make business here a model for business throughout our country as it is to make the city government a model for all municipalities. Perhaps neither ideal has been realized, but it is something to strive for, and the nearer it is approached the more all of us will benefit.

I am aware of the fine efforts your body has made in the past. I know how much the beauty of this city has been enhanced and advanced by your insistence on such projects as the fulfillment of the dream of those who saw Pennsylvania Avenue as the most impressive boulevard of any world capital. I know how large a part you played in the great Mall project; in the erection of splendid bridges and memorials and in the development of a more complete park system. Your success in these enterprises should be an inspiration to all, for it indicates the vast influence you can exercise not only for your city's benefit but for the satisfaction of the entire Nation.

You occupy a great vantage point. Really you are sitting in the grandstand while the procession of Presidents, Congresses, Cabinet officers, and the rest of Government marches by. We come here, play our part, and go away. Yours is the continuing body, charged with watching over the interests of the Capital City, which is the pride of the whole United States.

Washington is to be congratulated on many things. While every city and every part of the country felt the depression, that, happily, is receding into the background, with the ranks of the unemployed becoming less, Washington did not feel this as keenly as other cities. Elsewhere you saw great mills and factories shut down, throwing hundreds of men and women out of employment and into the bread lines. You saw large buildings and stores almost empty and great hotels with few paying guests. In Washington even during the worst of the depression this was not as acute. Since March 4 of last year your hotels have seen a rapid rise in business, until today the difficulty is not vacant rooms but to find a vacant room. It is my information that this improvement in business applies to all lines of trade in this thriving city, which today is in the limelight of the Nation—in fact, of the world—as perhaps at no other time in our history, for the eyes of almost everyone have been turned to Washington for hope, guidance, and a renewal of their faith, and the ability of our Nation to again give to the people of America confidence not only in our institutions of government but in our institutions of commerce and industry. Instead of decreasing, the number of Federal employees in Washington has steadily increased during the present administration, due to the various emergency agencies. I feel certain that any effect your merchants might have felt from the necessary cuts under the Economy Act have been more than offset during the past year by the rapidly increasing number of persons on the Federal pay roll in Washington. One has only to go into some of your large stores and commercial buildings to realize that the shadows of the depression, so far as the District of Columbia is concerned, are faint. Your great buildings continue to rent offices. If I am correctly informed, most of your hotels are filled to overflowing.

Of course you had your banking troubles which no part of the country escaped. You are, however, fortunate that banking is on a firm foundation in Washington today, with only 1 unlicensed bank remaining of the 13 which failed to receive licenses to reopen on March 14, 1933. I am informed this 1 unlicensed bank in the District had restricted deposits of $568,000 on May 1, 1934, which is only a little more than 1½ percent of the deposits tied up in the 13 unlicensed banks on March 14, last.

In this connection I think it is of interest and most timely to say a few words with reference to the banking situation in general. Remarkable progress has been made in the rehabilitation of the Nation's banking structure since March of last year, when it became necessary for the President to close every bank in the country. On March 16, 1933, the were 1,417 national banks which were not granted licenses to reopen, and these banks had some $2,208,000,000 in deposits. By the 1st of May this year, less than 14 months since the holiday, 1,232 of these 1,417 unlicensed national banks had been reopened, liquidated, absorbed by other national banks, or placed in receivership. Of the remaining 185 unlicensed national banks, 156 had plans for reorganization approved by the Comptroller of the Currency and 29 had disapproved plans. The deposits tied up in these 29 banks represent less than three quarters of 1 percent of the $2,208,000,000 tied up in all unlicensed national banks on March 16, 1933.

Another significant contrast is that since the banking holiday only seven national banks have closed their doors. There is a particular reason involved in connection with each of these, and I feel certain that if time had permitted a more careful investigation practically none of these seven would have reopened. However, it is my information that these seven banks paid their depositors in full, so, strictly speaking, there have been no bank failures during the present administration.

At some time nearly everyone either comes to Washington or wants to come, for who does not want to see the central fountain from which flow the streams of Government and Federal relief? Because of this each day finds thousands of tourists who liberally patronize your hotels, restaurants, theaters, and other places of business. Of course, many of these would come even though there were no organized effort on the part of this splendid organization, but you have not only added to the enjoyment and pleasure of your visitors but you have also made Washington the great convention city of America.

Yet aside from these group gatherings, every American wants to come to Washington. You have the advantage over the goals of other tourist armies in that there is an all-year-round pilgrimage. One of the reasons for this is that you have the country's most beautiful city. Thanks to the Government, your system of parks and museums is unequaled, and patriotic shrines like Mount Vernon, Arlington, the Tomb of the Unknown Soldier, the Lincoln Memorial, the Capitol, the White House, and other interesting public buildings are all magnets which draw people here. These thereby contribute to the business health of the community.

Occasionally, of course, I have heard echoes of a complaint that the vast expense of Government real estate places an undue tax burden on private property. I have not the inclination to discuss with you what should be the logical amount contributed by the Government to the maintenance of the District. It is the most natural thing in the world that Washingtonians should feel that the Government is not paying its fair share. That is typical of every political subdivision in the country. We are all of us inclined to pay more attention to our disadvantages than to our advantages. My only idea in mentioning this subject is to point out that perhaps your griefs are not as intense as you think they are when you match them up with civic joys.

Chambers of commerce and trade associations have always been important in our commercial structure. For a long time they afforded the only protection the customer had against combinations and monopolistic tendencies. Perhaps they did not always function as they should have in this direction. But I think we can lay the blame for that on the business psychology of the time. Money was so plentiful while the country was filling up with people that it was always more or less customary to regard the public as an adversary to be exploited rather than a clientele to be pleased and encouraged. The philosophy that general prosperity was a vital element in individual prosperity was slow in working its way to recognition. Under the new deal, inaugurated by the present administration as part of the emergency correction, such organizations as yours have assumed a vastly enhanced importance. It is the theory of the President's recovery program that business should regulate itself. Under the codes the authority to deal with unfair trade practices, as well as the enforcement of the provisions in regard to wages and hours of labor, is vested in a body made up from the membership of each particular industry.

The Government is only represented by an individual whose function it is to guard against antisocial trends in business. He has no vote in the determination of policies, for business is supposed to make its own rules. He is really only there as a precaution against a possible return of the old habit of greed and grasping. For example, it is among the possibilities that the more powerful among the membership in any given industry might seek to oppress the lesser membership. This has happened before and human nature does not change overnight. In such a case the Government's representative has what amounts to a veto power. The less this power has to be exercised, the happier everyone will be, for despite the protests of some who, I am glad to say, are decidedly in the minority, and who resent any effort to control their greed, the Government is anxious that business surrender only those functions that are absolutely necessary to meet the existing emergency.

One interesting development of the new deal is the circumstance that where people eminent in industry have been called in to assist the Government in forming and administering the codes they have functioned helpfully and unselfishly. In fact, in the building of the various codes, such organizations as this have been most helpful and have cooperated splendidly with representatives of business and industry in this important work. I think it is safe to say that the participation in government of those prominent in business is an insurance against such practices as would compel Federal interference with the enactments of the code authorities.

I know there are some people who seem to believe that our emergence from the period of grief and stress might have occurred anyhow; that by some unknown process business would have worked out of its paralysis even had there been no N.R.A. or A.A.A. or any of the numerous agencies by which people were put to work, homes and farms were saved from mortgage foreclosures, and the spirit of fear replaced by renewed hope and confidence. By the same sort of reasoning it might be argued that a person desperately ill might have recovered without surgical and medical treatment. We know that in the case of sick business the patient is convalescing under the new deal, and I believe there are few among you who would be willing to have the doctor cease his ministrations and trust to luck that business could go the rest of the way toward recovery on its own account.

As a business man I welcome this opportunity to discuss with business men problems with which you are familiar and in which you are vitally interested. Especially am I glad to talk to you about the Post Office Department—one of the largest business enterprises in the world. Many of our problems of the Post Office Department are your problems; and while we think we have been doing a pretty good job, we do not assume to have all the knowledge. We welcome suggestions and constructive criticism as to how we can improve postal service. There never was an institution so perfectly run that it could not be made better.

It was my desire when I came into the Post Office Department to try to run it efficiently, and, if possible, to balance the budget. It has been found difficult to make the Department entirely self-supporting, though this was possible at times, particularly in the period from 1911 to 1919, with the exception of 2 years. Since 1919, however, there has been, until March 4, 1933, a steadily growing deficit which in 1932 amounted to the staggering net sum of $152,246,183.

I am not prepared to make a definite statement, but I really believe, if business conditions improve for the remaining 3 months of the fiscal year as they have for the past 3 months, that the revenue of the Post Office Department will be sufficient to cover our expenditures and we will have a truly balanced budget.

I realize that what the public expects from the Post Office Department more than anything else is service, but there is no reason why, in rendering efficient service, the taxpayers may not at the same time expect our Department to strive to live within its income. To do otherwise is in reality a double tax upon the public. Postage fees are actually an indirect tax, and we of the Department believe that when such a tax has been placed upon the people it is our duty to so conduct the affairs of the Department that if it is possible there will be no deficit and no need for Congress to call upon the taxpayers to make further payments for the conduct of the Post Office Department.

Of course, of equal importance to that of service and a balanced budget is the maintenance of a policy of fairness and justice at all times to the personnel of the Post Office Department, for the new deal must at all times be a square deal.

I am not unmindful of my responsibilities along this line, for in normal times the Post Office personnel constitutes approximately half of Federal civilian employees. I have been forcibly struck with the loyalty and devotion of the postal workers and am vitally interested in seeing to it that they are justly compensated for the service they are so unselfishly and conscientiously rendering. During the past year, in order that the Department might get on a sound basis and live within its income, it has been necessary to call upon these workers to accept furloughs and pay cuts that meant real sacrifice on their part. They have accepted these in the finest possible spirit without any letting up of their devotion to the Department and determination to serve the public in that manner which is a priceless heritage of the Department.

I am very happy to say that increases in postal revenues, which I interpret as a good barometer of improved business conditions, make it possible to relieve postal workers of these reductions and to again put to work a large body of postal substitutes who have endured an unusually large share of these sacrifices. Of course this will mean more deliveries with more men and women at work, and better all-round service, and you as the representatives of the business of our Capital City will benefit in more ways than one.

When the Benjamin Franklin station moves to the new Post Office Department Building there will be in the heart of your city the last word in a postal station, with the finest and most up-to-date equipment and all-night service.

Washington has more than an ordinary interest in Air Mail Service, a subject that has been very much in the limelight this year. I know that you business men of the Capital City are deeply interested in the present status of this, particularly in the improved service which will be given to Washington under the new system that is rapidly being completed. Contracts have been awarded on 17 routes and service is in operation on most of these. Considering the air mail from a national standpoint, the new system will service 19 additional cities and 4 States which had no service when the contracts were annulled, namely, Maine, Vermont, New Hampshire, and West Virginia.

Improved service will be given to the States of Virginia, Ohio, Indiana, Illinois, South Carolina, Georgia, Minnesota, South Dakota, North Dakota, Tennessee, Arkansas, Texas, New Mexico, Wyoming, Montana, and Washington. Forty-six States will receive direct air-mail service under the new system.

When the contracts were annulled the route mileage in operation was 25,248 miles. The new system will service 28,548 miles, an increase of 3,300 miles. The cost of air-mail service for the fiscal years 1932 and 1933 in round numbers was nearly $20,000,000. The cost for the new service, including the increased mileage of 3,300 miles over that being served when the contracts were annulled, is estimated to be not over $9,500,000. This indicates that the new system will cost the taxpayers from eight to ten million dollars less than was being paid 2 years ago.

Washington will be served by the old routes from Newark to Miami, Newark to Atlanta, and Washington to Detroit, and, in addition, by two new routes which have not heretofore existed—a direct route to Chicago through Charleston, W.Va., Cincinnati, Ohio, and Indianapolis, Ind., and a direct route from Washington, via Lynchburg, Va., and Nashville and Memphis, Tenn., to Texas, the Southwest, and Mexico. With the establishment of the schedules contemplated, all but two States in the Union will have either direct service into Washington or connecting routes leading directly into Washington, and the Nation's Capital, in turn, will have air-mail-service connections to all but two States in the Union, and these States have large cities which are in close proximity to air-mail lines.

An example of the improved service which may be expected is the trip made on May 13 from Los Angeles to New York by an air-mail plane in the record time of 11 hours and 31 minutes. The contractors assure the Department that the equipment which will be used on the routes giving service to Washington and the balance of the country will soon be superior to any in use prior to the cancelation of the contracts. Within a short while Eastern Air Lines, Inc., intends to use the new Douglas planes, and the Department has been informed that the Central Air Lines, Inc., will probably use the new Electra planes as soon as delivery can be made. The specifications on the route from Washington to Chicago and from Washington to Fort Worth provide for multimotored equipment.

The Army soon will have completed its work of carrying the air mail during the existing emergency. Their critics to the contrary notwithstanding, the service performed by the Army Air Corps will be to the everlasting credit of that unit. How well the Army was performing the task at the time it started to turn the service back to private operators is shown by the remarkable flight from San Francisco to New York on May 8 in 14 hours 8 minutes, the greater part of which was made in large bombers capable of transporting 2,000 pounds of mail or bombs.

Not one pound of air mail has been lost or destroyed, and the record is full of evidence of the heroic devotion to duty of Army pilots.

Gentlemen, I thank you for this opportunity to talk to your distinguished body, and for the privilege it has afforded me to discuss in this informal manner those things that are uppermost in our thoughts just now, and particularly to talk to you about the Post Office Department.

SUGAR BOUNTIES IN GREAT BRITAIN

Mr. COSTIGAN. Mr. President, about the 1st of March of this year, the Legislative Reference Service of the Library of Congress prepared a report of interest to domestic sugar growers and processors on the operation of the sugar bounty in Great Britain. That report presents in detail some little-known facts about Great Britain's recent 10-year experiment in stimulating beet-sugar production through bounty payments made by the Government.

The report, which states that the question of whether subsidies are to be continued, is under consideration by the British Government, presents information with respect to the willingness of a country, long favorable to free trade, to pay the price required to stimulate sugar production at home under conditions in some respects less naturally adapted to production than those to be found in some of Great Britain's oversea possessions and on the European Continent. Presumably the policy looks toward some continuing home production of sugar without reference to any probability of complete self-sufficiency. It indicates that the average yield in England is 7 or 8 tons per acre in contrast to 9 to 13 tons per acre on the Continent, although climatic conditions in England permit later crops and a high sugar content in the beets; that during the crop years from 1924 to 1932 the subsidy paid to the sugar companies for beets was about £24,158,000, and that during the same period the sugar companies paid for the sugar beets about £29,176,000.

I ask that the article, which was submitted by Dr. Rita Dielmann for the Legislative Reference Service on February 26, 1934, may be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[Library of Congress, Legislative Reference Service]

SUGAR BOUNTIES IN GREAT BRITAIN

The backwardness of Great Britain in developing the sugar-beet industry was due to a number of circumstances: The industry on the Continent had got an early start and with the export bounty system and high tariffs, continental sugar could be sold cheaper in the English market than in the producing country; farmers were reluctant to grow sugar beets until factories were built to assure them a market, and capital was not attracted to the sugar industry because it was not certain that beets could be grown in England in sufficient quantities to make the operation of factories profitable. No aid could be expected from the Government, which had been a party to the Brussels Convention, 1903, by which it was agreed that no further subsidies should be granted to the sugar-beet industry.

The National Sugar Beet Association, established in 1910, encouraged beet growing by offering prizes. On August 1, 1912, the British Government gave formal notice of withdrawal from the Brussels Convention and opened the way for the establishment of the sugar-beet industry in England. The Board of Agriculture and Fisheries began a series of experiments under the direction of English technical and agricultural colleges to determine whether sugar beets could be grown profitably.[1]

[1] Board of Agriculture and Fisheries. Report on Experiments in the Cultivation of Sugar Beet in 1911. [Cmd. 6162] 1912; Economic Series No. 27, pp. 23, 30.

The sugar-refining industry also met with difficulties in competing with continental refineries. In 1850 most of the sugar consumed in Great Britain was the product of home refineries; in 1885, 96 percent of the sugar was refined in England, but by 1902 the home refineries were producing only 29 percent of the sugar consumed.[2]

At the time of the World War about two thirds of the British sugar supply came from Germany, Austria-Hungary, Holland, and Denmark. The importation of sugar was prohibited lest even neutral sugar might be of enemy origin and shipping could not be spared to bring sugar from the colonies. The price of sugar rose from 1½ pence or 2 pence per pound to a shilling 2 pence per pound.[3]

In March 1917 the treasury sanctioned an advance to the British Sugar Beet Society of £125,000 as a loan for the development of the 5,000-acre Kelham estate. The Home Grown Sugar, Ltd., was chartered in 1920 with a capital of £500,000, half of which was subscribed by the Government.[4]

Early in 1922 the sugar-beet companies appealed to the Chancellor of the Exchequer to grant a temporary remission of the excise tax or they would be forced to stop refining sugar and close their factories. On March 30, 1922, Sir Arthur Boscawen announced in the House of Commons in advance of the budget that in view of the exceptional circumstances of the new industry and the condition of unemployment in the country no excise duty would be charged on home-grown sugar under the finance bill to be presented to Parliament at that session.[5]

The first excise duty on sugar was levied in the Finance Act of 1915, when a tax of 7 shillings was imposed on sugar and 3 shillings 2 pence on molasses. At that time the tariff on sugar was 9 shillings 4 pence and molasses 4 shillings 3 pence the hundredweight. This gave home-manufactured sugar an advantage of 2 shillings 4 pence and molasses a shilling a penny over the imported products.[6] While both the tariff and the excise were raised in 1916 and in 1918, home-manufactured sugar continued to enjoy an advantage of 2 shillings 4 pence the hundredweight.[7]

The finance act, 1919, reduced the excise by one sixth, making the rate 19 shillings 5⅓ pence. The tariff on foreign sugar remained at 25 shillings 8 pence the hundredweight, giving the home product an advantage of 6 shillings 2⅔ pence.[8] It was against this state of affairs that the factories manufacturing home-grown sugar complained in 1922.

The finance act of that year granted a remission of the excise tax for 1 year and in 1923 the remission was extended for 1 more year.[9] The actual aid to the sugar industry was then 25 shillings 8 pence, the amount of tariff on foreign sugar. But the sugar manufacturers were not satisfied. Remission of the excise was an unstable form of assistance dependent upon the policy announced at each budget. The industry wanted more definite assistance over a period of years. Moreover, the finance act of 1924 lowered the tariff on sugar to 11 shillings 8 pence the hundredweight.[10]

The beet-sugar subsidy act of 1925 provided for the payment of a subsidy for 10 years to manufacturers that paid a minimum price of 44 shillings a ton for raw beets washed and topped and delivered to the factory and having a sugar content of 15½ percent as ascertained by the cold-water digestive method. For beets testing greater or less than 15½ percent there should be an addition to or deduction from the minimum price of 3 pence for each one tenth of 1 percent above or below the 15½ percent. This price was to be offered for beets grown in the years 1924 to 1927.

As a condition of receiving the subsidy the factory was required to show that not less than 75 percent of the plant and machinery was manufactured in Great Britain, but in case of factories erected before the passage of this act it was required that machinery installed after the passage of the act should be of British manufacture to the extent of at least 75 percent. The minister of agriculture and fisheries was authorized to make further exceptions as he saw fit. The rate of subsidy was as follows:

Article	Rate per hundredweight					
	If manufactured between Sept. 30, 1924, and Oct. 1, 1928		If manufactured between Sept. 30, 1928, and Oct. 1, 1931		If manufactured between Sept. 30, 1931, and Oct. 1, 1934	
	s.	d.	s.	d.	s.	d.
Sugar which when tested by the polariscope indicates a polarization exceeding 98°	19	6	13	0	6	6.0
Sugar of a polarization:						
Exceeding 97 and not exceeding 98	17	11.2	11	11.5	5	11.7
Exceeding 96 and not exceeding 97	17	5.6	11	7.7	5	9.8

[2] British Sugar Beet Council, annual report, 1912.

[3] Ministry of Agricuture and Fisheries. Economic Series No. 27, p. 14; Royal Commission on the Sugar Supply. Second report, cmd. 1300, 1920.

[4] 179 House of Commons Debates, 5s. 1301.

[5] 152 House of Commons Debates, 5s. 1554.

[6] Public General Acts, 5 and 6 Geo. 5, Finance (No. 2) Act, 1915, sec. 7.

[7] Public General Acts, 8 and 9 Geo. 5, c. 15.

[8] Public General Acts, 9 and 10 Geo. 5, c. 32.

[9] Ministry of Agriculture and Fisheries. Economic series, no. 27, p. 39; Public General Acts, 12 and 13 Geo. 5, c. 17, sec. 6.

[10] Public General Acts, 14 and 15 Geo. 5, c. 21, sec. 5.

Article	Rate per hundredweight					
	If manufactured between Sept. 30, 1924, and Oct. 1, 1928		If manufactured between Sept. 30, 1928, and Oct. 1, 1931		If manufactured between Sept. 30, 1931, and Oct. 1, 1934	
Sugar of a polarization—Continued	s.	d.	s.	d.	s.	d.
Exceeding 95 and not exceeding 96	17	0.0	11	4.0	5	8.0
Exceeding 94 and not exceeding 95	16	6.4	11	.2	5	6.1
Exceeding 93 and not exceeding 94	16	.8	10	8.5	5	4.2
Exceeding 92 and not exceeding 93	15	7.2	10	4.8	5	2.4
Exceeding 91 and not exceeding 92	15	1.5	10	1.0	5	.5
Exceeding 90 and not exceeding 91	14	7.9	9	9.3	4	10.6
Exceeding 89 and not exceeding 90	14	2.3	9	5.5	4	8.7
Exceeding 88 and not exceeding 89	13	8.7	9	1.8	4	6.9
Exceeding 87 and not exceeding 88	13	4.0	8	10.7	4	5.3
Exceeding 86 and not exceeding 87	12	11.3	8	7.5	4	3.7
Exceeding 85 and not exceeding 86	12	7.1	8	4.7	4	2.3
Exceeding 84 and not exceeding 85	12	2.9	8	1.9	4	.9
Exceeding 83 and not exceeding 84	11	10.7	7	11.1	3	11.5
Exceeding 82 and not exceeding 83	11	6.5	7	8.3	3	10.1
Exceeding 81 and not exceeding 82	11	2.7	7	5.8	3	8.9
Exceeding 80 and not exceeding 81	10	11.0	7	3.3	3	7.6
Exceeding 79 and not exceeding 80	10	7.2	7	.8	3	6.4
Exceeding 78 and not exceeding 79	10	3.5	6	10.3	3	5.1
Exceeding 77 and not exceeding 78	9	11.8	6	7.8	3	3.9
Exceeding 76 and not exceeding 77	9	8.0	6	5.3	3	2.6
Molasses:						
If containing 70 percent or more of sweetening matter	12	4.7	8	3.1	4	1.5
If containing less than 70 percent and more than 50 percent of sweetening matter	8	10.9	5	11.3	2	11.6
If containing not more than 50 percent and not less than 45 percent of sweetening matter	4	3.8	2	10.5	1	5.2
If containing less than 45 percent of sweetening matter, rates in proportion to the last rate above.						

The excise tax to the amount of 9 shillings 8⅔ pence the hundredweight was reimposed and no subsidy was to be paid until the excise was paid. Companies in receipt of subsidy were required to submit to the Minister of Agriculture and Fisheries each year a statement in the form of a balance sheet containing a summary of the company's share capital, its liabilities and assets, and a statement of profit and loss. These company reports were to be laid before Parliament. Companies in receipt of subsidies were to guarantee fair wages to laborers employed in their factories.

A considerable discussion had arisen during the debate on this bill as to whether the subsidy should be paid for the manufacture of raw sugar or would be limited to the refining industry. The old refineries which imported colonial sugar wanted the new factories to limit their operations to the manufacture of raw sugar.

The law provided that where sugar or molasses was manufactured in one factory and removed to another factory for further manufacturing, if claim was not made for payment of subsidy in the first factory, the subsidy should be paid in respect of the article when finally manufactured in the second factory. Both the subsidy and the excise were made to apply retroactively to the crop of 1924.[11]

At the end of the first subsidy period, 1928, there was a considerable falling off in the acreage put to beet. The period of a guaranteed minimum price to growers had ended in 1927. The subsidy paid under the act of 1925 was actually less than the amount of the excise remitted in 1922–24. When the world price of sugar fell it was increasingly difficult for growers to make satisfactory contracts with the factories. The finance act of 1928 gave some assistance to refiners by reducing the rate of tariff on imported raw sugar. Many of the refineries at the end of the season in England imported raw sugar in order to increase their output.[12] In 1929 the Government appointed a commission to make a thorough study of the whole industry.

In view of the difficulties in the sugar industry, Mr. MacDonald on February 12, 1931, appealed to Parliament for further aid in the form of a loan to the sugar companies.[13] The Government came to an agreement with nine companies, named in the act, that a minimum price of 38 shillings a ton would be paid for beets, washed and topped and delivered to the factory. In return for this promise of a minimum price, the Government offered an advance to the companies on the first 300,000 hundredweight of sugar manufactured during the season 1931–32 to be computed on the basis of the market price as follows: If the market price of raw cane sugar of 96 degrees polarization exceeded 7 shillings and 9 pence no advance would be made. If the market price was less than 7 shillings and 9 pence, but not less than 6 shillings and 7 pence the advance made would be an amount equivalent to one seventy-eighth part of the subsidy payable under the act of 1925 multiplied by the number of pence by which the market price fell below 7 shillings and 9 pence. If the market price was less than 6 shillings and 7 pence, the advance to be made would be an amount equivalent to fifteen seventy-eighths parts of the subsidy payable under the act of 1925. No advances were to be made to any company for any sugar not manufactured from home-grown beets.

Until the total amount of the advances made to any company are repaid deductions from the subsidy due the company under the act of 1925 shall be made in respect of sugar manufactured during the period of 2 years beginning on the 1st day of October 1932 as follows: A basic price is determined for each company by adding to 7 shillings and 9 pence an amount equivalent to nine hundredths of the value of the buildings, plant, machinery, and other equipment, less depreciation, divided by such number as the minister of agriculture and fisheries may determine to be the number of hundredweight of sugar of 98 degrees polarization which the company could manufacture from home-grown beets during a period of 90 working days, if sufficient beets were available to keep the factories employed during that period. No deduction is made from the subsidy payable under the act of 1925 unless the market price of sugar exceeds this basic price for that company. But if the market price exceeds the basic price, one seventy-eighth part of the subsidy payable is deducted for every penny of the amount by which the one price exceeds the other.[14]

The act of 1931 came in for considerable criticism from members of Parliament. It was charged that sugar companies were paying high dividends and putting away enormous reserves at the expense of the taxpayers. Dr. Addison, minister of agriculture, stated that no company could make profits when the price of sugar was below 7 shillings 9 pence the hundredweight, and when it reached that price no advances would be made under the act of 1931. He had made agreements with companies for the advance only on condition that no profits were made and nothing put to reserves nor counted for depreciation. The sole purpose was to guarantee a minimum price to beet growers in order to insure the cultivation of the land.[15]

Factories which had not accepted the special advance offered by the Government contracted for 80,000 acres of beets, representing 44 percent less than their contracts in 1930, while companies that had accepted the Government advances contracted for 152,000 acres, a decline of 18 percent from their 1930 contracts.[16]

The chief difficulty in the operation of the act of 1931 was with the group of factories known as the Anglo-Dutch companies. They made contracts for beets at 35 shillings a ton plus four fifths of any profit that might remain. As a matter of fact, farmers did not grow beets and the factories lost money.[17]

The finance act of 1932 imposed an excise tax of 4 shillings 7 pence per hundredweight on sugar of a polarization exceeding 90°, 3 shillings 7.1 pence on sugar of a polarization from 98° to 99°, and other rates in proportion. The excise on molasses containing 70 or more percent of sweetening matter is 2 shillings 11 pence, on molasses containing from 50 to 70 percent sweetening matter, 2 shillings 1½ pence and on molasses not exceeding 50 percent sweetening matter 1 shilling ½ penny.[18] A comparison of these rates with the subsidy rates in the third period of the subsidy shows only a small margin in favor of the sugar industry.[19] The finance act of 1933 made no changes in the rates on sugar.[20]

On July 27, 1933, Major Elliot, Minister of Agriculture, announced that the Government had decided as a temporary measure to continue the subsidy on sugar and molasses manufactured from home-grown beets for 1 year after the expiration of the present subsidy on September 30, 1934. The rate on sugar will be continued at 6 shillings 6 pence per hundredweight as under the present law. There will be no subsidy on molasses so long as the world price of raw sugar exceeds 6 shillings per hundredweight. A subsidy at the rate of 1½ pence per hundredweight of sugar will be paid for each penny by which the price of sugar is less than 6 shillings until the present maximum subsidy on molasses is reached.[21]

Besides receiving a direct subsidy for sugar and molasses manufactured, the sugar companies received £2,215,000 under the trade facilities acts. This amount was not a grant but a loan, the principal and interest of which was guaranteed by the treasury.[22] Up to July 1931 the treasury had paid £541,980 in respect of principal and £3,266 in respect of interest on advances to beet-sugar companies. The treasury had written off £162,446 as irrecoverable.[23] Installments due to lenders under the trade facilities acts will run until 1938. Members of Parliament have insisted that these be paid off during the subsidy period, but the Chancellor of the Exchequer has stated that this cannot be done.[24]

[11] Public General Acts, 15 Geo. 5, c. 12.
[12] Public General Acts, 18 and 19 Geo. 5, c. 17, § 4.
[13] 248 House of Commons Debates, 5s. 594–596.

[14] Public General Acts, 21 and 22 Geo. 5, c. 35.
[15] 255 House of Commons Debates, 5s. 2677.
[16] Ibid., 764.
[17] 266 House of Commons Debates, 5s. 107, 108.
[18] Public General Acts, 22 and 23 Geo. 5, c. 25.
[19] See page 4.
[20] Public General Acts, 23 and 24 Geo. 5, c. 19.
[21] 280 House of Commons Debates 5s. 2774.
[22] 11 and 12 Geo. 5, c. 65.
[23] Statement of the Financial Secretary of the Treasury. 254 House of Commons Debates, 5s. 2435.
[24] 262 House of Commons Debates, 5s. 544, 1974.

The following table shows the amount paid in subsidy as compared with the amount paid by the companies for beets:

Crop year [1]	Subsidy	Value of beet crop
1924–25	£509, 200	£480, 720
1925–26	1, 121, 581	1, 196, 540
1926–27	3, 324, 197	3, 323, 280
1927–28	4, 214, 060	4, 158, 350
1928–29	2, 824, 936	3, 561, 430
1929–30	4, 233, 776	5, 301, 000
1930–31	6, 138, 965	7, 625, 741
1931–32	1, 791, 792	3, 529, 093

1 1924–29, statement of the Minister of Agriculture, 239 House of Commons Debates 5s. 1781; 1929–30, ibid., 248: 1763; 1930–32, Manchester Guardian, Jan. 17, 1934.

Under the sugar act of 1931, £183,300 was advanced to those companies that came under the provisions of the act.[25] It is estimated that the continuation of the subsidy for 1 year, as now contemplated, will cost £3,000,000.[26]

In computing the cost of the subsidy, account must be taken of the loss of revenue which would have been collected on imported sugar, an item of considerable importance to the treasury. This revenue was not only lost, insofar as home-grown sugar was consumed in Great Britain, but the amount of colonial sugar imported under preferential tariffs has lately increased. Philip Snowden, Chancellor of the Exchequer, estimated the loss at £1,709,000 in 1930 [27]; and Mr. Hore-Belisha, Financial Secretary of the Treasury, stated recently that the total cost of the subsidy and the revenue abatement from 1924 to 1933 was £37,440,000.[28]

Company reports as of March 31, 1933, show that the 15 companies in receipt of subsidies at that time had a total capital of £4,445,954, debentures amounting to £1,479,535, and accumulated reserves, including advances under the act of 1931, amounting to £1,375,073.[29] Dividends were high up to 1931. The average for all companies in 1932 was 4.4 percent. The Anglo-Dutch group, which has come in for considerable criticism, paid from 5 to 20 percent dividends, which are tax free. The English Beet Sugar Corporation, Ltd., the oldest company of this group, paid 12½ percent in 1925 and 1926, and 20 percent from 1927 to 1931.[30]

It is generally admitted that sugar beets could not be grown in England without the subsidy, though the wisdom of encouraging the production of beets is sometimes questioned. Land which is unsuited for beets has been cultivated under the subsidy. New and incompetent growers produce beets at a great cost, which could only be met by the subsidy. There is a tendency to neglect proper rotation of crops, and beets grown repeatedly on the same land are susceptible to disease.[31]

On the other hand, beet growing has many advantages. Some root crop must be grown in rotation with grain. Beets enrich the soil better than any method of subsoiling. The long roots aerate the soil, the crop leaves the land clean, and the tops left after the harvest furnish in some instances as much feed for sheep as a fodder crop would do. The beet grower has the advantage of delivering his crop at the factory without having it handled by middlemen. He gets his cash return immediately, without producing for an uncertain future market, as in cattle and sheep raising. The liquid waste of manufacturing sugar is a valuable fertilizer. Beet pulp purchased from the factories makes good feed for cattle. Much of the pulp in England is sold abroad instead of to the farmers. A member of Parliament, who is himself a beet grower, stated that by the time he had bought back the pulp for his cattle he found that he had made no profit on his sugar crop.[32]

Beet growing in England has never been as successful as on the Continent. The average yield per acre in England is 7 or 8 tons, while on the Continent it is from 9 to 13 tons. England, however, has the advantage of longer autumns free from frost, which permits lifting the crop later and insures a high sugar content.[33]

The beet subsidy has saved much land from going out of cultivation. In the 10 years, 1920–30, the land under cultivation decreased not less than 1,153,000 acres. In 1920, 3,045 acres were under beet; 10 years later 348,920 acres were sown to this crop. An investigation conducted by Cambridge University in the eastern counties of England in 1932 showed that the income from livestock had decreased 16 percent, while the income from crops had increased 6 percent, a fact which was attributed by the university to the growing of sugar beets.[34]

English beet growers have long charged the factories with taking the larger share of the subsidy. They are dissatisfied with contracts which are offered by the companies. In the present crop year the profit-sharing contract predominates. The growers are guaranteed 35 shillings to 37 shillings a ton for beets with a share in profits of the companies. The Cambridge University estimate of the cost of production is 35 shillings a ton, although some account must be taken of the fact that their estimate was made in 1929.[35]

The sugar-beet industry is favored in some quarters as an aid to employment. In four sugar-beet counties employment decreased 1.2 percent during the first 6 years of the subsidy, while the decrease in the rest of England was 12.3 percent in the same period. Factory workers employed the year round number 2,135; seasonal workers, 9,900. It is impossible to estimate the number employed on beet farms, but the intensive cultivation required is said to give employment to many agricultural laborers. Besides the industry uses a large quantity of coal and limestone and requires considerable transportation facilities. Employment in the factories is regarded as especially important because it comes at a season when employment is normally low.[36] There are others who regard the subsidy as an extravagant method of creating employment. It has been said that the subsidy costs more than a dole to all the workers employed in the industry.[37]

Considerable debate in Parliament and the press has arisen concerning the injustice of the subsidy on English-grown beets to the sugar industry in the British colonies, where sugar is the only source of private income and public revenue. The sugar colonies can produce sugar cheaper than the British beet growers, and they are dependent upon the English market to dispose of their crops. It is doubtful, however, whether the small quantity of sugar produced in England has injured the colonies. Under the preferential Empire tariffs the imports from the sugar colonies have greatly increased. Whatever criticism may have arisen on this account, the problem of the colonies has been presented as one of competition, not with English-grown sugar but with dumped Cuban and Czechoslovakian sugar. The difficulty of finding a market elsewhere has enhanced the importance of the English market to the colonies.[38]

There is considerable uneasiness in the sugar-beet industry at the present time because of the delay of the Government in announcing its future policy. It was the intention of Parliament that the subsidy should be a temporary measure. The three subsidy periods in the act of 1925, with a diminution of the subsidy in each period, were provided on the assumption that the industry would gain in strength. At the end of each subsidy period the industry has come back for further assistance. The temporary relief to the industry in 1931 has been extended. The subsidy period which should end in 1934 has also been extended for 1 year.

Mr. Chamberlain, Chancellor of the Exchequer, announced in his budget speech, April 19, 1932, that a committee would be appointed to make a careful survey of the whole industry and to make a report before the expiration of the subsidy for the guidance of the Government in determining its policy. Parliament has shown considerable impatience with the delay in the appointment of the committee and the preparation of a report. Twice since the budget speech of Mr. Chamberlain the Government has come to Parliament for additional temporary aid. Permanent legislation cannot be introduced until the committee report is finished.[39]

In the meantime the growers, refiners, and factories have submitted an agreement which is under consideration of the Government, but which they have not seen fit to disclose. The present Minister of Agriculture is preparing an amendment of the agricultural marketing act of 1931 to include sugar. Any industry under that act is authorized to set up a board to regulate markets, fix prices, and, with the cooperation of the Board of Trade, to restrict importations of products likely to injure the operation of the scheme.[40]

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. DAVIS. Mr. President, from every section of Pennsylvania come requests to oppose House bill 8687 as reported by the Senate Committee on Finance. These requests are

25 Minister of Agriculture. 274 House of Commons Debates, 5s. 802.

26 International Sugar Journal (London), Jan. 1934, p. 2.

27 240 House of Commons Debates, 5s. 2158.

28 284 House of Commons Debates, 5s (Daily), Dec. 11, 1933, p. 26.

29 280 House of Commons Debates, 5s. 1524.

30 Minister of Agriculture, 255 House of Commons Debates, 5s. 970; Manchester Guardian, Jan. 17, 1934, p. 6.

31 New Statesman, vol. 31, p. 561; House of Commons Debates, 5s. 255:2667; 265:631; 234:415.

32 Ministry of Agriculture and Fisheries, Economic Series, No. 27, pp. 50–52, 136, 137; London Times, Dec. 27, 1932, p. 15; Jan. 15, 1934, p. 18; House of Commons Debates, 5s. 180:1121, 1122; 209: 1259; 234:384.

33 Ministry of Agriculture and Fisheries, Economic Series, No. 27, p. 87; House of Commons Debates, 5s. 248:2158; House of Lords Debates, 5s. 79:333.

34 House of Commons Sessional Papers, 1931–32, vol. 24, p. 242; Debates, 5s. 244:221, 222; 280:997.

35 International Sugar Journal, Jan. 1934, p. 2.

36 House of Commons Debates, 5s. 173: 375; 211: 2440; 255: 2666; 273: 1232; 280: 998.

37 Ibid., 211: 2424; 222: 553, 554; Manchester Guardian, Jan. 17, 1934, p. 6.

38 Lord Olivier, The Government and Our Sugar Colonies. Nineteenth Century, vol. 108, p. 56; London Times, Jan. 4, 1934, p. 13; 255 House of Commons Debates, 5s. 2674; 79 House of Lords Debates, 5s. 344.

39 House of Commons Debates, 5s. 227:1745; 264:1434–1436; 280: 1057, 2775; London Times, Nov. 22, 1933, report of the House of Commons session of Nov. 21.

40 International Sugar Journal, January 1934, p. 2; Manchester Guardian, Jan. 17, 1934.

from labor as well as industrial leaders. We all agree that one of the most important problems before the American people today is that of foreign trade. However, we must keep in mind that the American market has a buying power equal to that of all of Europe, and, in light of that fact, we are called upon to determine how much of our market we wish to share with the rest of the world and upon what terms.

I have proposed an amendment to the pending bill providing that no agreement under its provisions shall be concluded with any foreign country with respect to articles in the production of which labor standards, as reflected in wages, living conditions, and labor costs are lower than those which obtain in the production of the comparable articles in the United States.

If we adopt this principle, the prize of our markets becomes an inducement to elevate the standards of living abroad, bringing them up to the level of our own. I am convinced that we can most effectively protect our own American market to the full extent it needs protection by using our purchasing power to enhance the value of our market to foreign countries for the purpose of elevating the standards of living in Europe and Asia instead of depressing them as we have often done.

When we put a tariff duty upon a foreign article the tendency is for the foreign producer to insist that the article must be produced more cheaply in order to meet our tariff, and he succeeds in depressing wages and lengthening the hours of the foreign workers in such a way as to shift the brunt of this burden to them. Thus, through this loss, he gains and maintains an active competition in American markets with goods made by sweated labor. Then the wages and conditions of labor abroad are used by the employers in this country—quite frequently the same men and the same corporations—as an argument for wage reductions and share-the-poverty programs here. I want a system of protection which actually protects the American worker and at the same time increases the world market for his product. Indeed, I want a system of protection which will give increased advantages to workers everywhere.

We desire our share of the markets of the world, but at the same time we should not fail to realize that the greatest buying power in the world is to be found within our own borders.

It is quite evident to all of us that if the foreign standards of living were as high as our own the foreign populations would absorb their own products for an indefinite period of time, and would also absorb some of ours.

Many plans are being launched today to increase our foreign trade, which is now, and has been, but a very small fraction of our total trade. All of us are more or less interested in our foreign trade. Complete isolation is impractical. We should do business with every country in the world that has something to sell without detriment to our own producers. In other words, that which we cannot produce we should buy from others, and others in turn should buy from us the things they cannot as satisfactorily produce as we can.

In these trying times many are urging us to lower our tariffs so that our foreign competitors may sell more of their competitive products to us, and thus it is urged they will be enabled to buy more of ours. Personally, I should want to make a close inspection of imports to ascertain the number of factories which we would be forced to close down if we gave a part of this business to foreign competitors. We have our own hands so tied by unemployment now that we can scarcely turn our attention to the problem of finding employment for the labor of the rest of the world. We certainly cannot find employment for them on any such basis as the American worker enjoys, and I am sure that we do not want to compel the American worker to compete with the low wages of the worker in foreign lands. We have recently set up codes of fair competition in American industries that we might end cutthroat competition, unfair practices, and reducing wages. How can we urge their practical application if we permit an all-paralyzing program of foreign cutthroat competition to invade our shores?

The declared purpose of the pending legislation is to expand foreign markets for the products of the United States. Under present circumstances this purpose cannot be achieved without admitting to our country imports in exchange for our exports through reciprocal trade agreements. It is proposed in the pending reciprocity bill that Congress shall give the President power to negotiate bargaining treaties.

If we are to follow the advice of the Secretary of Agriculture, we can readily see that the destinies of certain doomed industries will be placed in the hands of Presidential advisors who under this proposed act may bargain away and ruin the existing industry through competing imports from foreign countries. It may be argued that there is no such intention. However, in the case of the lace industry the intention of using it for bargaining purposes has been specifically mentioned by the spokesman of the Government. It must be presumed, therefore, that if the bill shall be passed in its present form and the President's advisers shall succeed with their program, the duties on lace will be reduced from 90 to 45 percent ad valorem. No greater reduction than 50 percent is permitted by the bill. Without doubt this would mean the prompt stoppage of all employment in the lace and kindred industries in our country.

The lace mills established here today represent a capital investment of at least $20,000,000 and give employment to 15,000 workers. The industry here would be disorganized and these thousands of people thrown upon relief rolls or put out on the street. It may be possible that the laces which at present are made in this country could be purchased from some European or Asiatic country, but we should not forget that their wages amount to less than 25 percent of those which our workers receive, and in the case of China they amount to practically nothing.

A great outcry has been raised about the falling off of our foreign trade. However, it should be remembered that since 1929 the total volume of goods exchanged between all important trading countries has been diminished 30 percent. According to the Statistical Abstract of the United States, during the year 1929 our total exports, excluding those to territories and possessions of the United States, amounted to over $5,000,000,000, while our imports amounted to considerably more than $4,000,000,000. By 1932 both our exports and imports had been reduced to considerably less than one half. Of course, considering the reduced volume of our foreign trade, it is necessary to take into consideration the fact that the whole world is now on a lower price level than it was in 1929. The decrease in actual tonnage, therefore, is not as great as I have indicated. It is likewise interesting to observe that the falling off of our imports has been in about the same proportion as between the free list and the dutiable list.

If it be contended that excessive rates in the present tariff act are responsible for the falling off in the volume of our foreign trade, I should like to ask why the administration has not done more to lower such rates under the flexible provision which now exists? Only four changes have been made in tariff rates during the past year. Two of these were changes downward and two upward.

From farmer and laborer come numberless requests to vote against the bill. This morning I received a telegram from the American Glass Workers' organization, which reads as follows:

> We, the glass blowers of Local Branch No. 15, Port Allegany, Pa., request you to oppose all tariff reciprocity legislation, as we feel assured, in the event of its passage, bottles will be made by men in foreign countries, and we will lose our jobs.

It was indicated yesterday on the floor of the Senate that the wool schedule will not be touched. Why disturb any other agricultural schedule? Indeed, I might ask, why disturb the industrial schedules? The glass workers are opposed to tinkering with the tariff, as indicated in their telegram, because in normal time, for normal consumption, we can make in 6 months all the glassware we need in a year. The window-glass workers can supply all our normal needs in 17 weeks. The pottery workers are opposed to the bill because in normal times they average 7 months' work a year. Shall we subject them to the low wages and working conditions of the pottery workers of Europe and Asia?

With our high excise taxes, coal is still being imported into this country, and our bituminous-coal workers are lucky if they get 6 months' work a year in normal times. The anthracite workers are most fortunate if they average 7 months. This also applies to workers in the oil, copper, and lumber industries. Our own normal needs give the steel worker an average of only about 7 months' work a year; and, again, I ask those who advise the President if they recommend that our industrial workers share a part of their reduced time of employment with their competitors abroad?

I am standing on safe ground when I say that on the basis of our present tariff our seaboard market has been practically lost to American workers. I am told that tin plate can be shipped from the land of my birth by water so as to undersell the plate made in the Pittsburgh district. Moreover, this is made possible only because of the wage differential.

I believe in nationalism—a nationalism which is broad enough to be ever mindful of the needs of other nations, but which at the same time puts first the needs of the American people. I believe with all my heart that if the amendment which I have offered shall be adopted, the living standards of foreign workers and their buying power will be increased. Thereby a home market for foreign products will be made possible such as we have developed within our own land. Thus the workers of all lands will develop a buying power which will enable them to consume the products of every machine now in existence, and keep them active on three 8-hour shifts for the next quarter of a century.

Tinkering with the tariff always unsettles business and creates uncertainty, even when these changes are made by Congress. Under the reciprocity bill under consideration these changes would be made by the advice of the President, although it would be impossible for him to give all these matters his personal consideration. Of necessity they would be referred by him to some agency under his direction. The danger, under these circumstances, is that the needs of our own people might then be subordinated to questions involving international political relationships.

The one great hope of American labor is increased business activity with an eye to attracting American consumers, who, while they continue to consume, produce enough to restore to our capital structure that which they have consumed. There are enough basic-commodity needs in the United States to keep our industrial machine fully active for many years to come if we could but once recover from the paralysis of panic and fear which has overwhelmed us. American labor must have good wages in order to build honest purchasing power. If wages can be maintained without being too largely lost through artificially inflated prices, our industrial machine will be set revolving once again and we can get busy at the long, hard task of paying off our debts. This we can do if we protect the working conditions, the wage levels, and the living standards of the American worker.

I agree with the eminent Senator from Mississippi [Mr. HARRISON], Chairman of the Finance Committee, when he said yesterday that our problem today is not so much a question of overdevelopment of our agricultural and industrial machine as it is one of underconsumption. I repeat that which I have said many times: If the wages and working conditions and buying power of the workers in foreign lands were equal to the wages and buying power of the workers of the United States, they would enjoy, as we would enjoy, for an unlimited period of time the fruits of prosperity which crowned this land in 1926. To this end I have offered my amendment to the pending bill.

Mr. VANDENBERG. Mr. President, I desire to present to the Senate my argument against the pending proposal to clothe the President with unchecked and uncontrolled tariff-bargaining powers.

I do so with complete conviction that the proposal is wholly impractical and ill-advised, and calculated to be a grievous disappointment even to those who hopefully believe in it at the present hour.

But I also freely acknowledge that a contrary view is earnestly held by many men for whose judgment I have the greatest respect, and with whom I am exceedingly reluctant to disagree. Some of these men are business leaders in my own State. They include, for example, high spokesmen for the Michigan automotive industry. They include many of the leading newspaper analysts. They are entitled to have their approval of this bill recorded. They may be right. I may be wrong. None of us is entitled to be dogmatic upon this proposition. The needed encouragement of American export trade is an unsolved perplexity. But the very fact that this disagreement exists makes it the more necessary that I shall make clear what I believe to be the compelling and conclusive reasons why I find myself driven into opposition to the pending bill.

I shall not speak in political terms or implications. This is a problem in economics and government. It is more than a problem in trade; for none, I am sure, would bargain our birthright for a mess of pottage. It involves even the genius of our institutions, and it is from this viewpoint and this general statement of my objective that I seek to proceed.

Mr. President, I am opposed to this tariff-bargaining proposal for the following reasons, each of which I shall hope subsequently to develop and sustain:

First. The proposal demands a delegation of the congressional taxing power and the Senate's treaty-making power which is without color of constitutional warrant, and which finds no relevant precedent in any previous grant of Executive authority.

Furthermore, even if it shall be argued that the pending proposition falls within the letter of the Constitution, the argument submitted yesterday by the able and distinguished Senator from Idaho [Mr. BORAH] demonstrates beyond any possibility of successful controversion that it falls utterly outside the boundaries of the spirit of the Constitution. This is another case where the letter killeth but the spirit giveth life.

Second. The proposal clothes the President with dictatorial authority to ruin industrial and agricultural commodities which may be chosen by him for sacrafice in pursuit of these bargains; to ruin these commodities and the American communities which may be dependent upon them for existence.

Third. This fate will overtake them without adequate warning and without adequate recourse, because the final hearings, which are grudingly allowed by one Senate amendment to the administration bill, are calculated to come too late in the bargaining process and to be too perfunctory to serve as real protection.

I might repeat parenthetically what I said yesterday in the colloquy of debate—that the net result of these hearings, in practical effect, is little more than to assure these death-marked industries a front seat at their own funeral. That is rather cold consolation.

Fourth. The President's decisions cease to be based upon the traditional American tariff yardstick; namely, the difference in cost of production at home and abroad; but reflect, instead, the presidential judgment that one American commodity should be sacrificed to the advantage of another, thus substituting executive judgment for established rule, and thus inviting entirely too free an opportunity for experimentation in the new philosophy that Washington bureaucrats are entitled to identify so-called "inefficient industries" and to put them out of business by their fiat.

Fifth. This means 3 years of uncertainty throughout the life of this amazing new power—3 years of uncertainty in which no protected trade in industry or agriculture may know and plan its own future with any continuity of assurance that it will not be the next victim of the next bargain. This could be an utterly fatal handicap to courageous long-range planning, so essential to recaptured prosperity.

Sixth. The proposal is not calculated to produce actual net advantage even for its chosen beneficiaries, because the "bargain" which trades new imports for new exports is likely, in the very nature of the case, to match every new sale abroad with an abandoned job at home. This does not cure our unemployment; it merely shifts it.

Seventh. The proposal tacitly ignores the primary and overwhelming importance of our own domestic market to our own domestic producers—the importance of maintaining our own domestic buying power. It emphasizes the importance of exports at the expense of the preservation of the home markets for home producers. The chances against the success of any such philosophy are as 13 to 1, because, in normal times our home sales are 13 times our export sales.

Eighth. The chances against profitable bargains—that is, profitable for us—are further accentuated by the fact that this bill, in terms, denies the use of the free list for bargaining purposes. This free list at this very moment represents more than $900,000,000 of foreign purchases which we made last year. This stupendous alien possession of our markets continues unabated and unrequited under this bill. We bargain only with future favors which we further extend to foreigners. We get nothing for the favors already enjoyed. But this, I confess, is no novelty. Uncle Sam usually plays Santa Claus to his neighbors and to his debtors.

Ninth. The proposal is squarely hostile to the administration's own theory and reliance in charting national recovery, namely, the N.R.A. and the A.A.A. These agencies deliberately plan increased costs of domestic production, thus increasing the spread between production costs at home and abroad. Each of these recovery laws contains within it specific authority to increase tariff protection, even to the point of complete embargo, thus specifically confessing the need for more rather than less domestic protection during this particular period when these tariff bargains are to trend in a diametrically opposite direction from the N.R.A. and the A.A.A.

Tenth. The proposal invites international complications of the precise type which we have been scrupulously avoiding for 140 years, because we cannot hope to open our markets to all of the foreign commodities for which entry will be eagerly sought, and as a result we may find ourselves accused of favoritism upon the one hand and further penalized with reprisals upon the other hand.

Eleventh. The proposal is opposed by much of the voice of organized industry, commerce, labor, and agriculture.

Mr. President, having set down this summary, I now desire to explore a few of these challenging fields in greater detail.

Of course, the most important thing, from a practical viewpoint, is to know precisely how these contemplated bargains are to work.

What American commodities are to enjoy increased export favors and which American commodities are to be stripped of their protection in whole or in part?

Secretary of Agriculture Wallace, one of the sponsors for this new movement, said at Cleveland on March 23 that out of 48,000,000 persons gainfully employed in the United States, 5,000,000 would be adversely affected by a tariff reduction. That is not my figure; it is the figure of the Secretary of Agriculture.

For the sake of the argument, let us use the Secretary's figure, although I think it would be much greater, because I believe it would involve the whole body of American agriculture. But take his figure. He identifies 5,000,000 American workers who could be adversely affected, and who, therefore, have a primary stake in this tariff thing we are considering.

Very well! Which of the 5,000,000 are to be sacrificed? What commodities are to be used as our bait in fishing for export advantages for other commodities?

No proponent of this bill dares to answer.

The distinguished Chairman of the Finance Committee, the able Senator from Mississippi, in his speech on yesterday declined to identify one single illustrative example. Why? Because, he said, it was too dangerous. The logical implication was irresistible; namely, that if we knew what was in store, the thing never would be allowed to happen. I beg to ask whether that is a sound reason why it should be allowed to happen?

Does the Senate discharge its obligation to the American people, at least 5,000,000 of whom, according to the Secretary's own mathematics, may be directly jeopardized by this thing proposed to be done, when it delivers them to a hazard which we are frankly told would never be tolerated if it were fully and fairly understood in advance?

If this is the necessary philosophy today, when we are framing the bill, the only philosophy which makes passage possible, will it not logically continue to be the philosophy tomorrow, if and when the bill goes into operation?

What, then, becomes of any reality of protection in these proposed hearings which the President will hold before he concludes one of these bargaining agreements? Will the hearings come in time to have any effective bearing on the possible rescue of a commodity marked for tariff slaughter? Or will it be a perfunctory hearing which keeps the word of promise to the ear and breaks it to the hope?

Can there be much doubt? If they admit they could never get this power except anonymously, do they not also admit that they could never hope to use it except in the absence of any public knowledge of specific intent? Does not this argue that these pretended hearings will be essentially post-mortem in character—a sort of review after the fact—a concession to the form of democracy but not to the substance?

Is this too violent an assumption when we remember that the original bill contemplated no hearings at all—contemplated nothing but a summary death warrant to the afflicted industry; when we remember that this provision in the pending measure is nothing but a Senate amendment which may easily expire ere the bill completes its legislative journey?

It was never intended by the authors of the bill that there should be hearings. It is the obvious truth that this whole bargaining process is necessarily a secret sort of operation wholly repugnant to the theory of our institutions.

So it is no wonder that we can get no information as to what would be considered a good or a typical bargain. Five million persons could be adversely affected by tariff reductions, says Secretary Wallace. There are probably mighty few tariff reductions of any sort which would not adversely affect some of them. Which are those likely to suffer? They say they do not know. That is probably true. But they also say they would not tell even if they did know. Otherwise they could not pass their bill.

Mr. CUTTING. Mr. President——

The PRESIDING OFFICER (Mr. BYRD in the chair). Does the Senator from Michigan yield to the Senator from New Mexico?

Mr. VANDENBERG. I yield.

Mr. CUTTING. If 5,000,000 citizens of the United States are to be adversely affected, is it not the fact that those 5,000,000 citizens might be the total population of some 10 or 12 of our States?

Mr. VANDENBERG. Yes; indeed. Or, stated differently, it represents a group of our citizens equal to the total population of the great State of Michigan.

Mr. CUTTING. In the case I indicated, these States might represent a quarter of the Membership of this body.

Mr. VANDENBERG. That is entirely correct.

Mr. CUTTING. How could any Senator justify the ruin of the entire population of his State, or the possible ruin of the entire population of his State, even though there might be a greater number of people elsewhere benefited by the passage of a measure of this kind?

Mr. VANDENBERG. Mr. President, I thank the Senator. He personifies the thing I am saying. It would be utterly impossible to procure the consent of the Senate to the net result which is possible under the use of this tariff bargaining power. As the Senator from New Mexico indicates, the representatives of the affected States would not dare go home in the face of consent to some of these things, if they were proposed directly rather than by indirection.

Furthermore, I use the example submitted by the Senator from New Mexico for this further purpose; after one of these bargains had decimated one of the States, as the Senator from New Mexico suggests, I submit that in that very process we would have withdrawn a section of American buying power from the total reservoir of American trade, which would fully offset any speculative advantage which might be contemplated from the new export sales of other commodities abroad.

Mr. President, as I was saying, those who sponsor the legislation say they do not know what bargains are in contemplation. I repeat, they also say that they would not dare tell even if they did know.

Is not that a strange legislative contemplation in a republic? I can understand how it would satisfy a dynasty. I can understand how snugly it would fit a Fascist pattern. I can understand why the following significant Associated Press dispatch from Rome was printed under date of March 29:

ITALIAN PRESS HAILS HOUSE TARIFF VICTORY

ROME, March 29.—Approval by the United States House of Representatives of a bill conferring tariff bargaining powers upon President Roosevelt was welcomed prominently here tonight in the Italian press.

Although the news arrived too late for official comment, the Fascist attitude toward the action was easily predictable—

The Fascist attitude was easily predictable.

since fascism always has considered tariff commercial conventions a particular prerogative of the Chief Executive.

I repeat, Mr. President, that I can understand this Facist applause, but I cannot so easily identify justification for its American parallel and emulation.

The able Senator from Mississippi spoke yesterday of the so-called "reciprocity" sections of the Dingley Tariff Act of 1897, and pointed out that the Senate declined to ratify a single one of the so-called "Kasson Treaties" which were negotiated thereunder. He argued therefrom that the only way to get reciprocity agreements is to let the Executive ignore the Congress. That is only another way of saying that these Executive agreements invariably cannot stand congressional scrutiny; therefore, it is argued that the tariff-making authority ordained by the Constitution should be set aside, according to this new philosophy of action, so that agreements unsatisfactory to Congress and to the people it represents may be consummated. And they call this popular government.

No wonder they will give us no examples of the bargains they have in mind.

Just one tangible item seems thus far available. When the domestic wool market recently began to suffer seriously in price level because of the fear that one of the early Executive bargains would trade away our wool protection, there was hasty assurance from these prospective tariff autocrats that they have no present intention of attacking wool. It is not a firm warrant. But it will suffice to calm wool fears at least until the bill is passed.

But wool—and wool alone—thus far is the only commodity thus temporarily reprieved. Why should wool alone be immunized?

What of other farm commodities?

President Roosevelt delivered a notable campaign address at Baltimore on October 25, 1932. In it he particularly resented and rejected the notion that his administration, if elected, would lower farm tariffs. I quote:

Of course, it is absurd to talk of lowering tariff duties on farm products. I promised to endeavor to restore the purchasing power of the farm dollar by making the tariff effective for agriculture and raising the price of farm products.

The President of the United States speaking:

I know of no excessive high-tariff duties on farm products. I do not intend that any duties necessary to protect the farmer shall be lowered.

The President of the United States speaking:

To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived.

The President was right. He was equally forthright. I cannot believe that any farm tariffs are to be bargained away—although I confess I do not know what it is we are hoping to buy in increased imports from many of these foreign countries unless it be farm products. Many of them have nothing else to trade. Yet that would be absurd, says the President. But, once more, when we try to be specific, and when we suggest the direct exemption of farm tariffs from this new power, we are ominously told it cannot be.

So the eternal question recurs, What is it we are to give away to foreigners in order to get these fabulously increased exports? It must be something, and it must be something mighty substantial to justify the hope of all the good people who expect to get all these vast new foreign export orders in return.

The enthusiastic support, for example, which the great National Automobile Chamber of Commerce accords this bill is built up entirely upon its own undoubtedly earnest belief in and convenient acceptance of the theory that it will increase automobile exports by something like 250,000 cars per year.

But there is no suggestion in any of this literature or argument where or how these cars are to be sold. There is no discussion of what we are to give away in order to sell them.

Therefore there can be no consideration of that final, deadly question whether these manufacturers will not lose more sales at home because of the lost buying power of those Americans who lose their jobs when they lose their tariffs than can possibly be offset by new sales abroad. It is only the net that really counts.

No legislator could possibly be more interested than I am in greater sales of automobiles. I would sacrifice most other economic considerations to that end. But it does not suffice simply to claim this beneficent result in behalf of the pending formula. I warn that the net result might be an actual loss. First we must know the price to be paid for this bargain. We cannot know the price nor assess the net benefit of the bargain unless we know what the bargain is to be.

But we do not know, and I concede in the very nature of the use of this type of power that we cannot know.

Secretary Wallace has said, speaking at Athens, Ga., on May 12, that these bargains are to be made at the expense of "small, inefficiently conducted businesses." Perhaps that is a clue to the new tariff deal. Small, inefficiently conducted businesses are to be traded out of their existence. Instead of measuring the difference in cost of production at home and abroad by uniform and universal rule we are to submit American industry and agriculture and labor hereafter to the tyrannical decision of Washington commissars, who will decide for themselves by some theory of their own as to the inherent right of American business to live.

But this immediately brings us back to agriculture, which the President has said it would be absurd to disturb, because agriculture gives us one of our most concrete examples of what these administrators consider to be inefficient industry.

We had it on the word of the Secretary of Agriculture that the domestic sugar industry is inefficient. We had it on the word of the President in his message of February 8 that the domestic sugar industry is expensive. So, surely, here is one of those commercial operations which fits the Wallace formula as stated in Athens, Ga., on May 12, and which might be eligible for destruction.

I remind the Senate that this domestic sugar industry is consigned to the category of inefficiency and superlative expense, despite the fact that retail sugar sells in the United States cheaper than in any other spot on this globe, with four exceptions.

I submit to the Senate that any domestic industry struggling for its existence, as the sugar industry has struggled in the United States for the last decade, which can advantage the ultimate consumer to the extent of giving the maximum quality and minimum price against a world-wide comparison, is not an inefficient industry and is not an expensive industry, and is not an industry which deserves to be jeopardized with the possibility that some Washington bureaucrat may pass a death sentence upon it.

We are not just supposing that the sugar industry is threatened by this proposed bargaining power, Mr. President. We have it in a letter from the Chairman of the Tariff Commission written to the President on April 11, 1933, from which I quote the opening sentence:

In view of the possibility of early action by our Government in regard to tariff bargaining, I venture to send you certain conclusions that have been reached by the Tariff Commission from our study of the sugar industry.

Does this mean that domestic sugar, already having suffered one tariff reduction under the use of the flexible power, is now to suffer another under the use of this bargaining power? The question goes unanswered. I would not unduly emphasize sugar. I simply use it as an illustrative example.

Or is it to be domestic lace, which some other spokesman of the administration inadvertently identified one day as an inefficient industry? Is it to be lace which we trade away?

Or is it to be the manufacture of period furniture, which Mr. George N. Peek, in an unguarded moment, partially identified as one of those in which we might make an international trade? Nobody answers. Those who know, if any do, decline to tell.

What is an inefficient or an inexpensive American industry which entitles it to be marked for free-trade slaughter by these new tariff commissars?

Is it any American industry which cannot produce as cheaply as the equivalent foreign industry, with its low alien wage scales and its low alien standards of living? On that basis, we should start toward the maximum of free trade, one of whose last remaining oracles is the distinguished and greatly beloved Secretary of State, who will be in a key place when the knives are whetted for this great contemplated operation.

On that basis, if that is the rule which is to be followed—and we are left to blind supposition on the subject—if that is the rule which distinguishes inefficiency, namely, that the commodity cannot be produced here as cheaply as abroad; if that is the rule, copper, for example, would be eligible for tariff reductions. But if the Senators from Arizona or Utah or Montana thought that copper rates would be traded away, they would never support the pending bill for a single moment. Do they know otherwise? How can they know otherwise? Oil would be eligible; chemicals would be eligible; fruits would be eligible; lumber would be eligible; shoes would be eligible; countless other American products would be eligible. Would Senators vote to curtail or kill domestic production in these and multiple kindred lines? They would not. Yet they will vote to permit it to be done by indirection; and if it were done, I assert it would be of no net advantage to America.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Mississippi?

Mr. VANDENBERG. I yield to the Senator from Mississippi.

Mr. HARRISON. I know the Senator does not want to be incorrect and does want to give the true interpretation of the proposal. He mentioned copper. Copper carries the excise tax, and the Senator will appreciate that the proposal freezes that and gives the President no jurisdiction to revise the rates either up or down.

Mr. VANDENBERG. I understand that.

Mr. HARRISON. It gives him only the authority to continue them.

Mr. VANDENBERG. I understand that, and I thank the Senator for his interruption.

Mr. HARRISON. When the Senator alludes to copper, I think that explanation ought to be made.

Mr. VANDENBERG. I thank the Senator for his interruption, because I see I might be misunderstood. The point is that the excise protection for copper, oil, and lumber is the temporary, expiring excise protection, which runs out next year. Sooner or later, if there is to be any permanent warrant of protected life for these important American commodities, it must be written into the tariff law. But I am submitting the fundamental proposition that if we have come to a point where only those industries in America which can produce more cheaply than similar industries abroad can produce are entitled to protection, there never will be protection for copper or oil or lumber or for most of the major commodities; and then, Mr. President, there soon will be no domestic market in which we can sell automobiles or anything else a little later. It is against the anonymous nature of the use of the power that I protest; it is the fact that we are not given one single illustration of the probable and possible use of this power of which I complain.

Ah, you say, the difficulty in handling specific rates is the trouble with congressional tariff making; you say it fails of national advantage because of local interests. That is absolutely true, to a degree. But speaking of the Nation, what is the whole except the sum of the parts; and which evil is the greater, the infirmity of congressional tariff making, plus administrative flexibility through a commission, or the infirmity of tariff making in America by Executive decree, with its inevitable subsequent political reprisals if any of these essential local interests are crucified? You do not escape the specific challenge; you merely postpone it.

But, Mr. President, I am not striving for controversy in this argument; I am trying to find some basis of illustration upon which we may fairly join the issue in contemplating whether or not there is practical value in the tariff-bargaining prospectus.

Let us take the first three of these indicated commodities, for the sake of the argument, since each one of those in some sort of degree has been at least partially identified for prospective-bargaining slaughter. I refer to domestic sugar, domestic lace, and period furniture. Taking these three as an example, and assuming that a bargain has been made, let us suppose that automobiles were the benefited reciprocal commodity. Very well. We sell more automobiles to Cuba, it may be, but we inevitably sell relatively less, and probably greatly less, in the 16 beet-sugar-producing States of our own home land. We sell more cars in France, perhaps, and relatively less in Rhode Island and Pennsylvania where the lace industry is decimated. We sell more cars in Belgium and England, in return for having bought our furniture over there, but we sell infinitely less cars in the furniture centers of Michigan and New York, Illinois, and North Carolina. Why is not that a cross-sectional picture of this thing which we are asked to do? Where is the net advantage? Is there not calculated, rather, to be a net loss?

With greatest respect for the export views of those who know more about automobile exports in a minute than I shall know in a year, I cannot see where this produces more net sales; and it is only in net sales—I emphasize the word "net"—that we can measure any final advantage.

It seems to me, at best, that the net sales balance sheet stands still. That is the most we can hope for; that the net balance sheet will stand still, while, at the same time, thousands of our own fellow citizens who are thus traded out of their jobs are added to the army of unemployed or to the farm deficit upon the countryside. Meanwhile I know of no assurance that automobiles are going to be chosen for these alleged favors. They might not be chosen at all. I should expect southern cotton to be much more likely to be nominated as the favorite.

These arguments lead to the inevitable conclusion that (1) either those who anticipate large American advantages from these tariff bargains are to be disappointed; or (2) that their aspirations can be validated only at deadly expense to others of their fellow citizens who thus are added to the sum total of the national depression.

Do these arguments also lead to the conclusion that nothing can be done to re-create foreign trade? Not at all. While our relative loss of world trade is slightly greater than the ratio of total world-trade recession, yet the basic fact is that our major loss of exports is the same loss suffered by others in a gigantic recession in world trade as a whole. Our prime menace in respect to export trade is a world depression. Our prime export hope is inherent world recovery.

I quote one significant sentence from the latest publication of the United States Automobile Chamber of Commerce, and I ask Senators particularly to attend to this quotation. Senators have a right to be earnestly interested in the recovery and recoupment of our export trade. Heaven knows, I am utterly concerned to that great end. The question is, How shall it best come? The question is, Can it be artificially stimulated? My proposition primarily is that, under the natural law of recurring world prosperity, in whatever degree it comes, we inevitably, without any of these doubtful bargains, are calculated again to be upon the forward march, and I call to the witness stand the United States Automobile Chamber of Commerce, from which I quote as follows:

> In the past year with more friendly foreign-trade policies not only here but abroad as well, mass buying power gradually became alive again and the volume of overseas sales of American motor vehicles rose to 240,000 and the increase during the first quarter of this year—

I beg Senators to note this figure—

> has exceeded by 100 percent the same period of the preceding year.

We are not standing still in respect to our export trade. We do not and shall not stand still in respect to exports when the world itself does not stand still. Here is the proof: A 100 percent export increase in a single quarter of the year in what is, perhaps, the most important of all our export commodities, and without a single bargain to speed the impulse. But I would not stop at this. I would further encourage export trade in every possible way and by every possible device short of domestic slaughter in other directions.

Meanwhile, Mr. President, our domestic prosperity is the major stake in all this thing, and one of my chief complaints against that which we are asked to do is that we lift our eyes away from the great blessing of our own home market and concentrate them almost exclusively beyond the seas.

Normal American prosperity is not dependent on an average of more than 10 percent of export trade. I believe the authenticated figure over the years is nearer 7 percent. That means, obviously, that our normal prosperity is 93 percent dependent upon our domestic markets. This utter predominance of the home market in relative importance is no excuse for abandoning all possible rational encouragement to enhanced foreign trade. But it is a 13-to-1 reason why any American economic prospectus should put at least 13 times as much emphasis upon the continued protection of home markets for home products as is put upon a quest for an export outlet. Further, it suggests a 13-to-1 chance that we shall lose more than we gain whenever we gamble the former against the latter. The lottery is pegged heavily against us.

If the President proves to be a shrewd trader, he may occasionally get the best of one of these tariff bargains. But experience warns us that we seldom outwit our international neighbors in an international deal.

If the President holds his own when he drives one of these bargains and the account stands even as between us and the alien, then we have merely traded an import for an export—one new domestic job for one abandoned domestic job—and the gain is zero. There is no advantage.

But if the President gets in any degree the worst of the bargain, then he has actually set us back instead of forward—and the mathematical chances, I repeat, are about 13 to 1 that this will be the unhappy result.

It is a gigantic speculation at best. Normal prosperity in the United States involves something like ninety billions of domestic consumption and five or six billions of export consumption. To risk the former in pursuit of the latter is sheer recklessness. It is worse than the folly of the dog in Aesop's fable who dropped a succulent bone into the pool while greedily reaching for its reflection.

To let one mortal man, no matter how able, take this risk at the possible expense of the whole American people would be amazingly wanton. It is bad enough that the Secretary of the Treasury should have $2,000,000,000 with which to play, at his own free will, with the money changers of the Old World. How much larger is the offense against caution and common sense if even so great a man as the President should have $90,000,000,000 with which to play at his own free will with the alien bargain hunters of the universe.

Here is another thing. We commission the President to this bargaining task under terrific handicap. He starts the race in hobbles. He cannot touch the free list. Our free imports last year were $906,000,000. Our dutiable imports were only $529,000,000. These contemplated bargains, under the terms of the bill, must leave this enormous free foreign invasion of our own markets practically alone. The President cannot transfer articles from the free list to the dutiable list. He cannot touch the alien free shipment to us of $20,000,000 worth of bananas, for example, $68,000,000 worth of newsprint, $13,000,000 worth of tea, $51,000,000 worth of tin, $124,000,000 worth of coffee, $33,000,000 worth of furs, $14,000,000 worth of grasses and fibers, $49,000,000 worth of rubber, $57,000,000 worth of wood pulp, and $102,000,000 worth of raw silk.

True, he could use a quota power against these imports if the foreign countries would agree to such restraints, but, of course, they will not agree to such restraints. Therefore, he is shorn of practical power to deal with this most important of all bargaining tools if there is to be bargaining at all. The only effective power which could be put into the hands of the President to make a tariff bargain to the shrewd advantage of the United States would be the power to let him agree in such a contract to leave articles upon the free list for a stated period.

Mark you, I do not advocate duties upon the raw products which I have mentioned. I do not advocate the extension of power of this bargaining process to the free list. I simply point out that the proposed bargaining powers are utterly ineffectual. They proceed on the untenable theory that foreigners are entitled to continue to enjoy all their existing free privileges in our markets, and that we in turn must pay, as Uncle Sam apparently always has to pay, for any advantages which we seek abroad. The free list runs on. In comes the Japanese silk, in comes the Brazilian coffee, in comes the Chinese tea, in comes the British tin. No charge is made against them for the invasion of our markets and our use of those commodities. No; the charges begin when we propose to reverse the process and seek a market for our goods over there.

I submit, and submit with all earnestness again, that if there were to be a bargaining power in connection with which there could be any hope of real American advantage without dire threat of subsequent loss, it would have to be a bargaining power in respect to the free list at least to the extent of permitting the President to make an international contract to leave a given commodity upon the free list for a stated time, in return for new American exports abroad.

Mr. President, we are constantly reminded by our economic philosophers that the world's trade—yea, and the world's peace—is beset by too many invidious barriers. We are told that there are too many handicaps to the free flow of goods; and that the new effort should be to level these restraints. Yet here is a proposed process which runs in the opposite direction, and with dire implications. We are told that the President needs these tariff-bargaining weapons in order to cope successfully with kindred maneuvers by other chancelleries. So we proceed to arm him from the very arsenals which have set Europe by the ears. Having armed him, we launch him into the greatest international bluffing game on record. The effects may be far reaching beyond calculation.

Let us be frankly warned that foreign countries, each jealous of the other, will manipulate their own tariffs for the express purpose of forcing our hand. None of these foreign countries will sit idly by and let favor or advantage flow to another. They will scheme to force us into a disadvantageous position to the end that we shall pay their price for trade clemency. Machaivelli never confronted a more intriguing game. We put ourselves at the mercy of our alien competitors in a game at which they are past masters and we are but innocent and gullible amateurs.

Listen to a few words from the letter of the Chairman of the United States Tariff Commission to the Senate of the United States in response to Senate Resolution 325 of the Seventy-second Congress. I am now quoting the official records, Mr. President. The thing I have just said does not rest alone upon my ipse dixit for its authority. I quote from this official report to the Senate of the United States:

> Unless a reciprocity policy is handled with skill it may succeed in obtaining no concessions other than removal of those high rates, trade barriers, and discriminations which foreign countries have erected or maintained for the very purpose of bargaining them away.

Mr. President, I submit that that is an astounding warning to find imbedded in an official document to this body coming from the very sources which recommend the pending bargaining bill. Listen: We are warned that these foreign countries have deliberately maintained the policy of increasing their rates in order to have something to bargain away and yet remain without net disadvantage to themselves. And we think we can cope with such a game.

Here is something more on the same subject, quoting the same official source:

> Since 1919, there is evidence that the increasing of tariff rates and the erection of barriers, principally for use in bargaining, has grown rather than diminished. Accordingly, the difficulty of making a reciprocity policy yield net reductions in foreign tariffs has increased rather than diminished as the bargaining countries have attained—

What?—

> greater experience.

What experience have we when we enter, like babes in the wood, upon this international market? Where is our experience as we deal with those who, we are warned upon official notice, have become past masters in the very art in which we gullibly think we might get the best of them?

Why ignore these implications? They tell us plainly that the Old World has put up its rates in order to bargain them down without net loss to itself. Are we so childish as to believe that the countries of the Old World will not do precisely the same thing with us? Are we equipped to play that game? No; we have not tilted our duties in order to have a gambling margin. No; we do not even propose to bargain with our free list. Is it sensible to think that we shall win in such a lottery?

I repeat that the Old World has been practicing this piracy for decades. They are old hands. We are kindergartners. We go as lambs to the slaughter.

I hope I am wrong; but, holding such views, there is nothing for me to do but to cling to our traditional tariff process, with all its admitted and unfortunate faults, rather than to fly to the embrace of ills we know not of. There is nothing for me to do but to stand by tariff protection, and not deliver its destinies to its traditional enemies. There is nothing for me to do but to pin my major American hopes upon domestic prosperity, and my export hopes upon our share of renewed trade in the world's reservoir as a whole. There is nothing for me to do but lean upon the already existing flexible machinery for some degree of more effective responsiveness to the fluxing need of the times.

One other thought, Mr. President: We are engaged today in a great nationalistic experiment. I refer to the N.R.A. It is frankly builded on a self-contained theory of economic nationalism which is the most pronounced and emphatic thing of its sort in the history of the modern world. It could not and cannot hope for success except as artificially stimulated pay scales and arbitrarily shortened work hours—all inevitably creating a higher American cost of commodity production—are protected by tariffs more effectually than ever before. The Republican theory of protection must be implicit in the N.R.A. program. Otherwise the N.R.A. program is suicide. This is an axiom. It is directly recognized by the National Industrial Recovery Act itself, which says, in section 3, that whenever the President finds an increasing ratio of imports of any competitive article which threatens to endanger the maintenance of any N.R.A. code, he shall, after investigation by the Tariff Commission—I quote:

> He shall direct that the article or articles concerned shall be permitted entry into the United States only upon such terms and conditions and subject to the payment of such fees and to such limitations in the total quantity which may be imported (in the course of any specified period or periods) as he shall find it necessary to prescribe in order that the entry thereof shall not render or tend to render ineffective any code or agreement made under this title. In order to enforce any limitations imposed on the total quantity of imports, in any specified period or periods, of any article or articles under this subsection, the President may forbid the importation of such article or articles unless the importer shall have first obtained from the Secretary of the Treasury a license pursuant to such regulations as the President may prescribe.

And he can even carry this increase to the point of complete embargo. He is given, indeed, specific embargo power.

I submit, Mr. President, that this is the exact opposite of the new proposal for tariff bargaining in pursuit of new export markets at the expense of increased imports.

Precisely the same thing is true with respect to processing taxes under the Agricultural Adjustment Act. Every processing tax is matched by a correspondingly increased tariff against kindred imports. This is the philosophy, I repeat, of the highest tariff protection in the history of the United States; and it has to be if these artificial domestic tonics are to succeed. Lowered tariffs, by bargaining or otherwise, run in exactly the opposite direction.

We should be attempting the impossible task of going in two opposite directions simultaneously. It cannot be done. No human power, no matter how universally supported, can thus contravene the natural law. I paraphrase the able Secretary of Agriculture: "America must choose "—and our choice must be confined to one direction at a time. Not even our imperial galaxy of young professors, now occupying the campus of the Government, can escape this inexorable mandate.

If this proposed bargaining power sacrifices any tariffs on industrial commodities under the N.R.A., or on agricultural products under the A.A.A., it vetoes the new deal in both of these respects. It nullifies the recovery program.

If it ignores all coded commodities under the N.R.A., and all nurtured products under the A.A.A., then its field is so limited that the innovation cannot possibly be worth its cost in its wrench to our traditional institutions and in the sentence of uncertainty which it pronounces upon every American economic activity from the hour that this new power is lodged with the Executive.

No industry thereafter can make a long-range production plan. It will not know at what moment the news of a tariff bargain may announce its own death warrant. The very nature of the use of the new power is essentially secret. Any hearings are tantamount to drumhead court martial.

The President proposes; the President disposes. The deed is done. There is no truly effective appeal. The sword flashes. The economic corpse is cold. If it is a bad bargain—and the mathematical chances probably lean this way in overwhelming odds—if it is a bad bargain, it is just too bad. The tears are futile. The supreme authority has spoken.

It is no answer to say that the power will not be abused. I freely consent that no abuse would be premeditated, but it could none the less result. You are just as dead from an unpremeditated accident as you are from premeditated murder.

Confident economic planning, Mr. President, would simply become impossible in the presence of such a secret, summary power as is contemplated by this new tariff program. It is an invitation to renewed industrial timidity. It is a blight on long-range planning for the new prosperity. It violates every American theory of a day in court for those citizens who may deem their rights to be in jeopardy. It potentially nullifies the N.R.A. and the A.A.A. It is illogical, unwise, and unsafe from the very standpoint of those precise objectives to which the rest of the President's recovery program is dedicated.

The anomaly goes even further. In all human probability, the N.R.A. will put our production costs so high that we could not compete for foreign orders in most commodities even if we had the so-called "benefit" of one of these so-called "bargains." The foreign customer does not have to buy, even after his government has made the bargain. Indeed, he will decline to buy unless the price entices. The whole trend of the N.R.A. is calculated to make any such enticement impossible. Thus we confront the poor consolation of possessing only the shadow, rather than the substance, of any theoretical advantage which the bargain might bring us. We probably should lose even in those rare instances where, on the surface of things, we might seem superficially to have won. The whole arrangement is a nature fake.

Mr. President, the voice of organized agriculture in America speaks squarely out against this thing which the Senate is asked to do. It speaks through the National Grange. It speaks through the National Cooperative Council, a conference body of farmers' cooperative business organizations. It speaks through others who have a right to say that agriculture does not want its head upon this fatal chopping block.

Not only does organized agriculture speak against it; so equally do those spokesmen for organized labor who are best informed respecting this phase of their well-being.

American labor has infinitely more to lose from this tariff-bargaining prospectus than it has to gain. When the President says that exports cannot be increased without a corresponding increase in imports, he is saying that for every artificially created sale abroad there must be an abandoned job at home. American labor cannot possibly gain thereby. The obvious chances are that it will lose.

This leads Matthew Woll, vice president of the American Federation of Labor, to say:

> As against all these urgencies for increased export trade, reciprocal trade treaties and other devices urged to that end, America's wage earners raise the more important issue of enlarging our domestic purchasing power and of increasing and protecting our home markets.

Hear him further:

> Regardless of how we balance advantages and disadvantages, the fact remains that the foreign market is not so desirable as the home market—either for capital or for labor. Goods exported must be sold at world prices in competition with goods produced by poorly paid, pauper, and even forced labor—and the certain result of large exports is always that labor of the chief exporting countries, such as England and Germany, is forced to accept lower wages in order to be able to compete effectively in the foreign market. In other words, the predominance of the foreign over the home market totally destroys the benefits of the protection of labor. What the Nation needs and is beginning to know it needs, is not great economic dependence upon the foreign market, but exactly the opposite—greater economic independence.

More—

> If it be the judgment that for practical efficiency Congress must no longer be trusted with joint treaty-making power in the matter of trade relations, why ought not sole authority be delegated to the President in dealing with agreements relating to international public debts, disarmament, and the like? Are we not thus hastening a time when power to be exercised by the President will be greater than the power of former kings, czars, and emperors?
>
> Labor has implicit confidence in the present incumbent of the Presidency of the United States and has implicit faith and confidence in his humanitarian instinct and in his desire to maintain and hold secure our democratic ideals, ideas, and institutions. We are confident he is actuated solely by a desire to get our people and our institutions out of the terrible chaos into which we had drifted. But labor is without knowledge of the certainties of life and who may succeed him or when. In addition, powers of government should not be granted because of faith in any one individual temporarily in authority. Power once delegated is difficult to limit, regulate, or annul. Are we not thus building a dangerous structure for the future, even if it be confined to reciprocal trade treaties? Who knows what the future has in store and to what end we are building a permanent structure on the basis of meeting an emergency by devices of expediency?

Mr. President, in addition to organized agriculture and organized labor, organized business, in most of its units, speaks out in a warning that we must stop, look, and listen before we proceed upon this way. I am speaking now primarily of the National Manufacturers Association, and of the recommendations of the United States Chamber of Commerce. This latter does not condemn the reciprocity theory; in fact, it is rather sympathetic with it, and in that aspect, under the existing circumstances, we totally disagree. But I point out that even these gentlemen cogently recommend:

> 1. That in granting authority to make tariff changes in the interest of reciprocal tariff negotiations the Congress write into the law the definite limitation that no rate be lowered to a point where American industry and agriculture shall be subjected to destructive foreign competition.
>
> 2. That the flexible provisions of the tariff act be maintained, embodying a basic controlling formula, laid down by Congress, according to which shall be determined the adequate protective level at which individual tariff rates shall be set.
>
> 3. That through a tariff adjustment board or other instrumentality, and in advance of such board making its recommendations to the President, there be full opportunity for American businesses likely to be affected by contemplated reciprocal tariff or other tariff changes to present testimony as to the incidence upon their respective enterprises of such changes.

These specifications cannot be said by any stretch of the imagination to fit the tariff bargaining bill upon which the Senate shortly will be asked to pass in spite of the new provision for some sort of incidental hearings after the fact.

Mr. President, I have talked entirely too long, infinitely longer than I had anticipated I would. I apologize to the Senate for this intrusion upon its good nature. My excuse is the intensity of my feeling that we are asked to embark either upon a futility or upon an error.

There are many other phases of this thing which I wish I could canvass. I should like to read Washington's Farewell Address, for example, with specific reference to his warning against entangling alliances, which may exist not only in the printed contract but exist equally through the display of extraordinary friendship toward one or more particular foreign countries.

Under the ultimate operation of this tariff-bargaining process, if it ever gets to working at all, we shall find ourselves classified by nations to whom we grant our favors as friendly, and we shall, as to nations whose requests we have to reject, find ourselves classified as hostile. This does not make for less friction in the world; it makes for more.

I wish I had the time to speak of favored-nation treaties. The fact of the matter is that every time we make one of these tariff bargains we will have to extend precisely the same favor to 28 other foreign countries in this world, and it is no answer to say that they have to give us in return the same advantage, because the thing we have traded to the particular foreign country may be a thing that foreign country alone can buy from us, whereas 28 other countries automatically, forthwith, must have the same privilege to send into our markets whatever it is the original country has traded in connection with this bargain. So here is another mathematical formula running against us, not a 13-to-1 chance that we lose, this time; now it is a 29-to-1 chance that we lose.

I wish I had time—and I do not intend to take the time—to review some of the superb arguments which were made not very long ago by eminent Democratic Senators across the aisle against a far more limited form of tariff flexion than is brought to us in this present amazing and astounding proposition. I do not refer to it through any thought of criticizing inconsistency. I realize that consistency is the vice of small minds, and I would not accuse any of my distinguished Democratic colleagues of possessing small minds. I refer to it only because out of the wealth of argument which they poured upon the land to demonstrate that the little, simple, existing flexible-tariff provision of the present law was an outrage upon the ark of the covenant—out of the wealth of those arguments I find tremendous solace as I confront the present challenge.

I favored, and still favor, the existing flexing power. I was glad to trust the President with it. I am perfectly willing and glad to trust the present President with it. I said so then. I repeat it now. But that flexing power was and is as nothing compared with the bargain power now asked. Yet my good Democratic colleagues, who bitterly attacked that simple formula, now swallow this new dose without a gulp.

Here I have the statement of the vigorous senior Senator from Tennessee [Mr. MCKELLAR]. I can see him now as he used to speak at his desk yonder day in and day out during the last administration, and when he was confronted with the existing simple flexible tariff provision of the present law, he said:

> This is the break in the dike; we have been tinkering around this very weak spot for a long while, and now we are going to hit it, to open the crack, and destroy the legislative branch of our Government.

The Senator from Tennessee was right. We should have listened to the Senator from Tennessee at that time. It was the crack in the dike. Now the dike gives way. The difference, apparently, is that while the Senator from Tennessee objected to the crack in the dike, he has nothing to say when the dike itself goes out.

The distinguished senior Senator from Arkansas [Mr. ROBINSON], the leader of the Democracy across the aisle, subscribed himself to a powerful challenge against the existing flexible tariff law, although it holds the President within stringent boundaries established by Congress itself. I quote but one section from the brief to which he gave his faith:

> Tariff making and revision under our Constitution are legislative duties, and to impose such responsibilities on the President as are carried in the flexible provision confuses legislative and Executive responsibility.

Mr. President, I did not think he was right 3 or 4 years ago when he was applying that stricture to the comparatively limited confusion of executive and legislative power at the time. Now we confront a situation in which not only are the legislative and executive functions to be confused, but we can take off the first three letters and say they are to be "fused" and the legislative authority under the Constitution is to disappear. I await the testimony of the able Senator from Arkansas upon it.

Here is a quotation from the able Senator from Kentucky [Mr. BARKLEY], who is always earnest in his appeal to the conscience of the Senate and of the country. I quote the Senator as he inveighed against the comparatively limited use of a flexing tariff power a few years ago under Republican auspices:

> Under the Constitution the Senate, even though now Senators are elected by the people and are responsible to them, cannot originate a tax bill. It cannot originate a measure laying one dollar in taxes upon the American people. Yet we are seriously asked to delegate to the President a power which we do not ourselves possess.

That was a well-nigh unanswerable challenge then, although we evaded it; but if it was a challenge then, it is a challenge 10,000 times emphasized and multiplied in the presence of the existing complete proposed abdication of the Congress with respect to tariff-making power.

Here is a quotation from the able junior Senator from New York [Mr. WAGNER]. The Senate always listens with the greatest respect when he explores and illuminates a subject. I quote his words urging us not to let the President tinker with a tariff rate even if an impartial and nonpartisan Tariff Commission had recommended that it be done after exhaustive hearing. He said:

> The new danger line in twentieth century government is drawn across the economic field. Are we going to hold that line or are we going to renounce the victory of a thousand years of fighting to break up the concentration of political power and permit the concentration of economic power in the custody of a single individual?
>
> No Member of this body who has regard for the judgment of posterity can fail to make a correct decision or afford to make a wrong one.

Mr. President, if we were contemplating at that time one tenth as great a concentration of economic power as is being concentrated now, then I am indeed a tyro in arithmetic. I am not afraid of the alleged concentration as it was hedged about by metes and bounds in the existing flexible tariff law. But, Mr. President, I cannot understand for the life of me how Senators who declined to get the consent of their consciences to that limited use of Executive authority with respect to tariffs, can now consent to the complete abdication of the tariff power on the part of the Congress and in the direction of the President. I do not refer, of course, to the President personally. What I say would apply to any President, be he Republican or Democrat or otherwise.

Mr. President, here is another very eloquent quotation. I am now using the words of the earnest, crusading senior Senator from Texas [Mr. SHEPPARD], who always puts his whole heart and soul into the convictions which he pours out upon this floor. I quote him, begging us quite recently not to give the President the first nickel's worth of tariff flexing power:

> The proposal confronting us clothes the President with legislative power.
>
> It merges the Capitol in the White House.
>
> It deposits the dead body of a suicide Congress at the feet of Herbert Hoover.
>
> What a melancholy spectacle it would afford—the remains of a once courageous and coequal branch of government which yesterday might have stood against the world.
>
> Assuredly there would be none so poor to do it reverence.
>
> Not even pity would be its due—only the measureless contempt of mankind.
>
> The measure under consideration enables the President to make law—to legislate.
>
> It destroys, so far as its operation is concerned, one of the most vital features of our system of free government—the separation of the executive, legislative, and judicial functions.
>
> It is a part of that process of concentration in government and industry which is the most appalling mark of the time, a process which is banishing freedom and opportunity from American life.
>
> It makes the cynic laugh, the patriot grieve.

Mr. President, if the cynic could laugh and the patriot grieve just because we let a President of the United States use an utterly limited flexing power within metes and bounds written by our own votes and after an investigation by a tariff commission which must establish the difference in cost of production at home and abroad, then I do not know what the cynic will do, or where the patriot will go to find an adequate wailing wall in the face of the present contemplation in which we are asked to sweep all congressional prerogative into the basket of the White House.

Mr. President, this is very interesting reading. I am not going to continue it. I have scores of quotations here representing practically the entire Democratic Membership across the aisle as it sat here and fought bitterly under the sturdy steel of the leadership of the eminent Senator from Mississippi [Mr. HARRISON] against any use of a flexing power in the hands of an Executive of the United States.

"Times have changed", they say. That is right. "New times require new answers." That is right. I am not afraid of innovations. I have demonstrated that by more votes than one upon this floor in sympathy with this so-called "new deal." But when you start to innovate with respect to the Constitution of the United States, and by indirection, and when you know by the confession of your own words a few years previous that this is precisely the thing you do, then I do protest. And when you propose to deliver the economic life blood of labor and industry and agriculture and commerce into the sole dictatorial, autocratic possession of one President of the United States, I care not who he be, I protest that bureaucracy has gone too far to leave freedom breathing safely in our United States.

I conclude with the words of another great Democratic leader, the late President Wilson, speaking on January 8, 1918:

> The history of liberty is a history of the limitation of governmental power, not the increase of it. When we resist, therefore, the concentration of power we are resisting the processes of death, because concentration of power is what always precedes the destruction of human liberties.

Mr. President, I do not believe this bill should pass.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. McNARY. Mr. President, I suggest the absence of a quorum and ask for a roll call.

The PRESIDING OFFICER (Mr. DUFFY in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Reynolds
Ashurst	Cutting	Keyes	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	Logan	Russell
Bailey	Dieterich	Lonergan	Schall
Bankhead	Dill	Long	Shipstead
Barkley	Duffy	McCarran	Smith
Black	Erickson	McGill	Steiwer
Bone	Fess	McKellar	Stephens
Borah	Fletcher	McNary	Thomas, Okla.
Brown	Frazier	Metcalf	Thomas, Utah
Bulkley	George	Murphy	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Carey	Hale	Nye	Van Nuys
Clark	Harrison	O'Mahoney	Wagner
Connally	Hastings	Overton	Walcott
Coolidge	Hatch	Patterson	Walsh
Copeland	Hayden	Pittman	Wheeler
Costigan	Johnson	Pope	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. METCALF. Mr. President, when this Congress shall adjourn it will have made history. Never before have the Representatives of a democracy been forced to place their official sanction upon such strange and dangerous economic experiments as we have received from the "brain trusters" of this administration. Bills of tremendous import have been brought before us and voted into law almost before the ink has dried on the pens of those who wrote them. In rapid succession we have entered into experiment after experiment, until now we are to consider the gravest of all. We are asked to pass legislation which will, in effect, abandon the theory of protection in favor of a system of reciprocal trade agreements with foreign countries. This legislation is advocated on the ground that it is a part of an emergency recovery program, and that since we are in the throes of an economic panic we should adopt drastic and revolutionary measures with which to combat the evil which has befallen world commerce. The successive steps which have led up to this final economic experiment have included the creation of numerous bureaus, designated by alphabetical symbols, with authority to regulate the productive power of individuals engaged in agriculture and industry. The foundation upon which this theory rests is composed of the Agricultural Adjustment Act and the National Industrial Recovery Act. The first seeks to limit the productive power of the individual engaged in agriculture, while the second would reduce the productive power of those engaged in industry. The protective tariff, however, is of tremendous value to both industry and agriculture, and in any discussion of it we cannot ignore one in favor of the other.

Since the inception of the principle of a protective tariff the basic argument for its existence has been that high living standards in the United States cannot be maintained if domestic commodities are placed in direct competition with those produced abroad. The perennial answer to that argument has been that while the American worker receives a higher wage he at the same time produces more goods.

As late as a year ago numerous champions of a low tariff have expounded the theory that the differential between the American wage earner and the foreign wage earner is not as great as the relative productive power. It must follow that the philosophy of the whole new deal has been one designed to eliminate the main argument held out against protection. Through the Industrial Recovery Act we have limited the working hours of industry and maintained the wage scales. In effect, we have tremendously reduced the average productive power of the individual who shares in the fruits of industry. There may be some truth in the argument that wages should not be used as the sole basis for constructing a system of protection against foreign competition. There may be truth in the theory that domestic wages and productive power should both be analyzed in relation to those of foreign industries. Today, however, the industries of the United States have been subjected to regulation through our code authorities to a point where the commodities produced by the individual worker are less in many cases than those of our foreign competitors. It would seem, therefore, that the whole philosophy of the N.R.A. is in itself the answer to the main argument against the protective tariff.

It is true that world commerce has been greatly reduced during this depression, but international trade has declined in no greater proportion than the actual decline in consumption of commodities within the countries of the world. The trouble is not so much in the interchange of products between countries as it is the existence of economic maladjustments within the countries themselves. Just how we can expect to increase the purchase and use of commodities in the United States by trading off our industries to foreign countries is more than I can understand.

When we are forced to close down our lace mills in order that France and Belgium may sell lace in the United States, what are we going to do with the 20,000 families who gain their livelihood from the manufacture of lace? Under the plan of this bill these workers would be absorbed elsewhere, theoretically, in the manufacture of products for export to France and Belgium; but actually, I presume, we shall have to set up another alphabetical relief bureau in order to extend charity to those persons made destitute by our economic theorists. Every country of the world is faced with economic troubles. Each country, likewise, is seeking to rejuvenate its international trade. Domestic commerce in every country is dependent upon conditions peculiar to that country, and domestic conditions are something which no amount of international trade regulation can correct. To whatever drastic limits we might extend our system of codes and alphabets, they cannot reach into the mills of France and China and institute conditions which will compare with the factories of the United States.

If our ports are to be opened to foreign products, we must open our industrial system to foreign hours and wages. Competition is the very life of trade; and while it may be stifled for a short time by domestic laws and regulations, it can never be removed from its place at the very core of world commerce. Regardless of how many millions of dollars we might pay for the products of nations of low standards of living, we can only sell an amount of commodities which the same number of dollars would produce in this country. If this holds true—and it is certainly good logic—the experimentation which will follow the passage of the tariff bill will retard recovery in this country for many years to come.

When the Smoot-Hawley tariff bill was passed in 1930, the opposition argued over and over again that Americans could compete with foreign countries because they produce more commodities per capita. At that time American workers were paid about four times as much wage as the Belgians, while producing twice as much. Today, however, our workers must operate under a complicated system of codes and trade practices which have greatly depreciated the producing power while at the same time increased wage payments. How, then, can we expect to receive economic benefits from lower tariffs?

What will be the effect of this bill? It is primarily a bill designed to generally reduce the tariff. It gives the President power to enter into trade agreements with foreign countries. He will be clothed with the authority to enforce and encourage these agreements through the taxing power and through power to remove trade restrictions and import barriers. He will be able to reduce or increase tariff duties by 50 percent. He will be authorized to remove all restrictions on importations from abroad. He will have power to remove excise taxes and processing taxes which have been imposed for the purpose of regulating importations. The basic purpose of this bill is to encourage the importation into the United States of some commodities in order that we might sell others abroad. It is intended to destroy the so-called "inefficient" industries, with the idea that the workers in those industries may be more profitably engaged in others. The proponents of the bill insist it is a temporary measure, but it has all the aspects of a broad and general policy. I have just received from the office of a Democratic Senator a pamphlet which analyzes this tariff bill from the standpoint of its authors. In this pamphlet it is declared that the program to wipe out certain industries in this country will cover a full generation. I quote:

> The problem is one for far-seeing and dispassionate economic planning, with a continuity of purpose which overrides political changes and the hysteria of the moment, and overrules the pressure of special interests. The development of such a plan will be the work of a full generation; but it is none too soon for the beginning to be made, however imperfect such beginning may be.

If this bill is only a beginning, I hesitate to imagine what the concluding acts of those responsible for this program will be. In the same pamphlet which I have just quoted the tariff bill is defended on the ground that a relatively small number of industries will be completely destroyed, and that the number of workers in those industries is relatively small. It is claimed that the railroads, public utilities, service occupations, and professions will not be affected. I quote:

> And, in the final summing up, the major changes would affect a limited number of those manufacturing operations in which the processes of mechanization have less than ordinary applicability, and the products of which involve minor transportation charges. Certain classes of textiles, crockery, and articles of skilled or artistic handicraft would be typical of the production most directly involved. In addition, there might be minor shifts in agriculture and elsewhere. Certain farmers now raising flax and hard wheat might shift to the raising of soft wheat and other exportable foodstuffs, and other minor shifts might take place even within the highly mechanized industries. But none of such shifts could affect any relatively large groups of workers.

Further, it is declared that in these specific industries slated for execution only 400,000 workers will lose their jobs. Only a million and a half people will have to find new sources for a livelihood. This is typical of the ballyhoo which the academics have been parading before the Congress during the past 18 months.

Another phase of the ballyhoo we have heard recently has been the poppycock about stabilized production. Any man who has had experience in a business enterprise knows that he cannot consistently operate his business under a systematized plan unless he can have complete confidence in the stability of all industrial fields into which his business reaches. One of the notes which I heard reiterated over and over again during the hearings on the tariff bill was that Presidential tariff-making could only result in a complete lack of confidence on the part of the producers of raw commodities and the processors of them. I heard the growers of wool lament the fact that the market price of their product had already dropped because of the possibility that this tariff bill would be enacted into law.

I heard the buyers of wool assert that they were afraid to invest in stocks of this commodity because they could not know when their investments would be jeopardized by an overnight revision of the tariff by theorists who probably have never seen a shearing. I heard one of the outstanding Democrats of New England, a prominent manufacturer of lace, characterize this bill as one which would be conducive to industry instability and which would destroy the jobs of workers. Argument after argument and fact after fact were presented to the committee with startling futility. We are concocting dangerous remedies for industrial ills without regard to the deleterious effects which these remedies may have upon our whole social and economic system. It cannot be long before thinking people become alarmed at our carelessly constructed laws.

As a practical matter the course of good logic should prove that we cannot limit the productive power of industry with burdensome code and trade practices, load the people down with excessive taxes, pour billions of dollars into relief experiments, and at the same time force the industries which naturally must bear this tremendous weight to compete in their own market with industries of countries which are free from codes and alphabets.

These are but a few of the many reasons why this bill should not be passed.

Mr. President, in looking over some of the speeches which have been made on this subject in the past, I came across one which would seem to be of special interest under existing circumstances. I want to read the words of the present Secretary of State, Mr. Cordell Hull, uttered on May 19, 1932. This is what he said at that time:

> I am unalterably opposed to section 315 of the Tariff Act and demand its speedy repeal. I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision, with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic King.
>
> The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause are astonishing, are undoubtedly unconstitutional, and are violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of the taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As has been said on a former occasion, "this is too much power for a bad man to have or for a good man to want."

I now desire to quote from a great friend of mine, a man for whom I have the greatest respect—the Vice President of the United States, Hon. John N. Garner.

On May 9, 1929 (CONGRESSIONAL RECORD, p. 1080), when he was a Member of the House, our distinguished Vice President said:

> Sections 315, 316, and 317 are known as the flexible provisions of the tariff. No man has ever defended this as a proper policy of the Government.
>
> Remember this gentlemen: When the legislative body surrenders its tariff power and its obligations to the Executive—under our system of government a majority can do that, but you can never recover them except by a two-thirds vote of the House and the Senate.
>
> Remember that when you surrender this power of taxation you surrender it for all time to come or until the two bodies, by a two-thirds vote, can take it away from the Executive.

Again, on June 6, 1929 (CONGRESSIONAL RECORD, p. 2460), he said:

> * * * I do not consider the rates the most vicious feature of the bill. The proposal of the Republican members of the Ways and Means Committee, contained in the administrative provisions of this measure, to surrender to the executive branch of the Government the power of taxation which, by the Constitution is reposed in the legislative branch, is unthinkable. With these administrative features retained I could not support this bill even if it carried every rate that I would write.

WILLIAM J. O'BRIAN

As in executive session,

The PRESIDING OFFICER (Mr. COOLIDGE in the chair) laid before the Senate a message from the President of the United States, which was read.

To the Senate of the United States:

I nominate William J. O'Brian, of Buffalo, N.Y., to be collector of customs for customs collection district no. 9, with headquarters at Buffalo, N.Y., in place of Fred A. Bradley.

This nomination is to correct an error in spelling of surname as previously submitted on February 26, 1934.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 18, 1934.*

Mr. COPELAND. Mr. President, about a month ago the Senate confirmed William J. O'Brian to be collector of customs at Buffalo, N.Y. As the commission came from the President the name was spelled in the classical way "O'Brien." It seems the name is "O'Brian." The President has just sent a new nomination to the Senate with the proper spelling. As in executive session, I ask that the nomination of William J. O'Brian, to be collector of customs at Buffalo, N.Y., be confirmed and that the President be notified.

The PRESIDING OFFICER. Without objection, the nomination is confirmed and, without objection, the President will be notified.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. FESS. Mr. President, of the many questions that come before Congress or that have come before it during the past 140 years, there is no one that has been so constantly before us as the tariff question. I think it may be stated to be the rule of history, if there is such a thing, that issues come up and are disposed of, problems are presented and solutions agreed upon, and the issue passes and does not recur. Not so with the subject we are discussing today. In some form or other it has been constantly before the American people, and during all the period of our national existence it has come before them in great national contests in order to be determined one way or the other.

I need not repeat what is so well known, because so often stated, that the first law signed by General Washington as President was a tariff law. Nor need I state that it is the one question on which parties have taken different views at various times as on probably no other question which has been before us.

We all listened with interest to the historic discussion of the Senator from Arizona [Mr. ASHURST] some days ago, when he reminded us how the protective idea was supported by such men as Washington, Madison, and in a form by Jefferson, though not so distinctly as in the case of the other two, and even by General Jackson, to say nothing about more recent leaders.

One of the anomalies in the discussion of this question is that the author of the tariff measure of 1817 was none other than John C. Calhoun; and all who are familiar with the history of this issue will recall that later he became the most defiant opponent of it in our history, even denominating the act of 1828 "the bill of abominations."

It will also be recalled that the brilliant statesman from South Carolina, whom I regard as one of the most original, as well as one of the most daring, thinkers the politics of our country has yet produced, was opposed by none other than Daniel Webster. At that particular time the issue was being discussed on sectional grounds. Webster, representing the New England idea, had a conviction that tariff for protection carried with it an unconstitutional feature. Calhoun was not disturbed by that argument.

Seven years later the two men began to change places. In the discussion of 1824 Calhoun was rapidly drifting to opposition to the policy of protection, while Webster with equal pace was drifting away from his prior position of greater freedom of trade; and by 1828 Webster, who had been an opponent of the policy of protection in 1817, became a strong advocate of it, while, as I stated, Calhoun denominated it "the bill of abominations."

It is enough to say that the issue at that time was fought out largely on constitutional grounds. One theory was that the power to raise revenue, bills for which purpose were specifically required by the Constitution to originate in the House of Representatives, was limited solely to revenue raising; while the other theory was that if the duty were imposed in such a way and on such articles as to stimulate American production, it would be constitutional under the general-welfare clause of the Constitution.

From a study of the evolution of the discussion on this general issue, it will be observed that that line of demarcation ran all through our history. Up to this time the entire membership of no political party has with unity supported the one idea or the other. I may state that the different views have been advocated by leaders rather than by parties. The time to which I have been referring was before the day of national conventions and the adoption of platforms.

Previous to that time, speaking of 1828, all candidates were selected by the caucus system. The old caucus system was not the same as what we today call the caucus system. A candidate for President would be selected by groups found in the Senate and in the House of Representatives here in Washington. The caucus selecting candidates up to that time, therefore, was a sort of closed caucus.

Mr. President, before the national convention idea, and especially before the policy of adopting platforms was inaugurated, the method of selecting candidates was confined to the old caucus system, which became very objectionable and had to be abandoned.

After we entered upon the policy of announcing the position of a political party through a platform, we approached the practice of committing the members of a party, as a party, to the pledges made in its convention. Following that, it was comparatively easy to make a question a party issue, and go to the country upon the issue of whether this or that policy should be adopted or rejected.

It was never possible to get all the members of any political party to agree on the question of the tariff. There always was a very respectable element in the Democratic Party, after it had taken a position for tariff for revenue only, which would not go along with that view, and even within the Whig Party, which stood for a protective tariff, there was always a more or less brilliant minority which would not go along. Not until the time of the Civil War did the tariff question become such an issue that it really could be said that one party affirmed it and the other one rejected it.

Very largely this difference of opinion was local. So long as the issue was purely a local issue, no political party could be committed to it; but even after the platform plan was adopted, many in the Whig Party would not go along with those espousing the protective-tariff view, which was conceived by Henry Clay, who was known as the "father of the American system", meaning the protective tariff, and equally was it true that there were leading individuals in the other party who would not go along with tariff-for-revenue-only view. So it might be said that always in the Democratic Party there were protectionists, as in the Whig Party and later in the Republican Party there were those who were for tariff for revenue only.

In connnection with this question the mutations are very notable. For example, when it became a party issue, the party founded by Jefferson took the constitutional view that customs duties must be limited to the purpose of raising revenue; that any other position would be unconstitutional; while those who were the followers of the Hamiltonian theory took the position that if it were for the general welfare or would induce a better national defense, it would be constitutional to lay a tariff not for revenue but to protect the industries at home.

Anyone who is interested in following the discussion in connection with this particular line of dispute will find great authority on either side. I think now it has come to be generally conceded that the protective idea, which is not merely to raise revenue, but which is to stimulate American production while at the same time raising revenue, is constitutional, and now we do not hear that question very seriously discussed.

After the Civil War the tariff question made a very distinct line of cleavage between the two parties. Our Democratic brethren held to the tariff-for-revenue-only theory. There were exceptions, notably one very brilliant exception, to the solidarity of the party in its stand for tariff for revenue only. I refer to the famous Samuel J. Randall, a distinguished Speaker of the House of Representatives. Just how far his view on protection, he being a very distinguished Democrat, is explained by his coming from Pennsylvania, I am not able to state, but I assume that fact had something to do with it. And just how far John G. Carlisle, the very distinguished Democratic leader who was convinced that the theory of Randall was unconstitutional as well as uneconomic, may have had his views colored largely by the atmosphere in which he lived, I do not assume to say.

We had first the free-trade idea. Ultimately that idea had to be abandoned by every party which advanced it. It was not abandoned by all leaders, but it was not endorsed by any considerable number to that point of nicety of omitting all obstructions in the form of tariff duties.

Then we had tariff for revenue with incidental protection. That theory was announced by Samuel J. Randall.

Then later on we had what is called the "competitive tariff." That is a recent nomenclature. I think the first brilliant Democratic leader who announced that theory was our much-beloved, late-lamented Oscar Underwood, and the bill which bears his name was not, in his judgment, a tariff-for-revenue-only measure. It was not written as a measure providing a tariff with incidental protection, but it was written as a competitive tariff under which Europe was given an opportunity to compete with us, and we with Europe.

Personally I cannot see any difference in policy between a competitive tariff and a tariff for revenue only. In other words, it is not a protective tariff, and, therefore, I could not give my approval to the principle of a competitive tariff any quicker than I could to a tariff for revenue only, and not as quickly as I could to a tariff for revenue with incidental protection.

I mention this, Mr. President, to indicate the mutations of this question from year to year as we were trying to reach a decision as to the correct policy we should follow. But I think I am within the realm of accuracy when I say that the protective theory has always had a tremendous hold upon the majority of our people. We have had it in some form or other from the very days of the beginning of the Government, and, being placed purely upon the basis of employing labor and maintaining our wage scale—in other words, our standard of living—it has been rather a popular theory when the people of the United States have been appealed to on that particular issue. The few periods during which we have had legislation dealing with what we may call greater freedom of trade, or whatever it may be called, under a tariff for revenue, or tariff for revenue with incidental protection, or a competitive tariff, have been very brief, and not only that but have been followed by unfortunate circumstances.

I am within the realm of truth when I say that every occasion when we have abandoned the policy of the protection of American industry on behalf of labor has been followed by a serious depression. If I should now enumerate the crises, the economic disturbances that mark our history, it would be apparent that in nearly every case the crisis or disturbance was introduced, or at least was coincident with a change from the protective to the revenue system of tariff, and relief has always been afforded by a change back to the protective system.

Our Democratic friends say that is merely coincidental, that it is not cause and effect. I differ from that judgment.

If we take the crisis of 1817 and follow it through we find that what I state is true, that a crisis follows an effort to abandon the protective policy, and the crisis is relieved by the resumption of the protective policy. That was also true in 1837.

"The bill of abominations", so denominated by John C. Calhoun in 1828, created such a bitterness between two sections of the country that Henry Clay employed his powers as a pacificator to compromise the issue. That is one reason why he is called the "Great Compromiser." This was one of the first of his great compromises. It is hardly true to say that it was the first, because the first one was in connection with the Missouri Compromise, the authorship of which, by the way, does not go to Clay but to a Jesse B. Thomas, of Illinois. But in view of the fact that Clay was the most powerful figure, and ultimately carried out the compromise in the dispute on the admission of Missouri, it is credited to him.

In 1833, 5 years after the bitterness created by the tariff bill of 1828, Henry Clay offered the compromise to establish a certain decreasing rate of duties so that within 10 years the general average of duties would be lowered to a certain level. The mere introduction of that bill disturbed business and had a direful effect upon the industries of the country, although the very father of the American system was sponsoring the legislation. Following the crisis of 1837, the only way out was by the abandonment of that compromise.

Then, in 1846, what our Democratic brethren call the greatest tariff bill, from a Democratic standpoint, in our history was enacted. It was known as the "Walker Tariff Act" of that year.

Following the Tariff Act of 1846, which was a tariff-for-revenue-only act, there was a very great stimulus of business. Democratic historians always point to that fact as evidence that tariff legislation of that character—that is, tariff legislation framed in accordance with the Democratic view—is the promoter of great activity in business, because such activity did follow the enactment of the Tariff Act of 1846.

Mr. President, anyone who will examine the history of that period will find great significance in the events which immediately followed the enactment of the act of 1846. At that time there was a devastating famine in China, so that everything we could produce in the way of foods found there a market, and, especially, that was the period of the Crimean War when three of the greatest producing countries of Europe were involved in a 3-year conflict, thus affording a market in the Near East, which created a demand such as we never before had and which eagerly absorbed everything we could produce. Anyone considering those facts will find an ample explanation of the great export trade that followed the enactment of the Walker tariff in 1846. Instead of that great export trade following as a result of the enactment of the Walker tariff law, in my judgment, that measure had nothing whatever to do with it, but the stimulus was wholly due to the great demand for American products created by those two situations which had arisen in the East and in the Near East. It was the result of famine and war. That, however, has been entirely overlooked, and so, mistakenly, the Walker Tariff Act is cited as one of the outstanding examples for the claim of our Democratic friends that the enactment of their principles of tariff assures prosperity.

What I have said is reenforced tremendously by the conditions which existed during the entire period from the Civil War up to 1929. I do not need to rehearse those conditions because they are matters of commonplace information which are known to us all.

There is another thing that is of interest to us in this discussion, and that is that while the Federalist, then the Whig, and then the Republican positions were consistently for a tariff for protection, there has always been an effort to appease opposition and to cure certain disadvantages which grow out of such legislation. Let me illustrate: All of us know that tariff legislation offers an unusual field for logrolling; all of us know that when, through tariff legislation, industry is uprooted by materially changing most of the tariff schedules, it is bound to have a very deleterious effect on the employment of labor; first, because such legislation brings about a condition of uncertainty and capital will not invest in any enterprise when the one taking the risk does not know under what tariff schedule he is going to have to operate.

Tariff legislation, therefore, where the promise is to reduce tariff rates always throws business into a state of uncertainty, to be followed instantly by slowing down and unemployment.

Lawmakers have always wondered how they could get away from the untoward situation, that every time there is a threat to change the tariff schedules we inevitably face complete interruption of business and the danger of unemployment. The first suggestion, going back nearly to Civil War days, was that we ought to find a way by which we could revise the tariff by schedules without taking up all the schedules at the same time. The question was, if the textile industry, for instance, under the growth of competition from Europe, were endangered by the cheaper imported article, while other commodities were not affected in the same way, would it be possible for us to revise the textile schedule without touching any other schedule in the tariff law? If the commodity involved was wool, the question was, Can we not take up the wool schedule and deal with that and not deal with any of the others? That idea for a long while had a great appeal, and I have no doubt that every Senator will recall how it was discussed in the magazines.

We usually say that a reformer performs the function of announcing his reform and then goes out of existence, his followers taking it up and working it out. That probably is true in some cases, but it was not true in this one. That discussion ran through decades, but finally the idea was abandoned on the ground that Congress never could be induced to agree to deal with 1 only of the 15 schedules of the tariff law to the exclusion of all others; that the moment Congress took up one schedule and it was sought to favor one item, voters would say, "Well, we have an industry in our district or in our State which is suffering just as badly as that one, and we are going to have that considered if you are going to take this up." So that theory which held sway for a long while in the mind of certain legislators had to be abandoned. I think Col. Theodore Roosevelt was at one time very strongly in favor of that particular plan of tariff revision.

Later Colonel Roosevelt suggested the Tariff Commission. I do not mean he was the first one to suggest it, but he was the first important personage to obtain national recognition of that method of tariff revision. All Senators will recall how bitterly the proposal was fought. It was said, "That is a step toward tariff legislation away from the legislative body, because a Tariff Commission must be executive unless it is created through appointment by the Congress, that is partially by the Senate, partially by the House of Representatives, and partially by the President." So that suggestion was bitterly assailed.

I always felt that it was a step in the right direction and that from it no serious harm could result. I had felt and still feel that tariff legislation, in order to be effective, logical, and philosophic, must be the result of painstaking investigation, examination, and recommendation by a group of experts, who ought to have the ability to tell what it is best to do in the particular case.

Senators will recall that finally, under President Taft, a board was created which was called a "tariff board." It was not christened "tariff commission." That tariff board was very bitterly assailed by those who were opposed to the principle of protection, and ultimately, after it had been in existence for some time, when those who believed in the theory of tariff for revenue only came into control of the Government, they refused to make the necessary appropriations to permit the tariff board to carry on; and so it died for want of appropriations to administer it. The law never was repealed; but the tariff board just simply went out of existence.

Then later the idea of the Tariff Commission was revived, and when it received the endorsement and strong advocacy of Woodrow Wilson it was given life and it became an instrumentality for tariff making.

Mr. President, since that day even the Tariff Commission has gone through many changes. The old tariff board was the first semblance of an attempt to effect tariff changes by means of a board of experts. That was followed by the Tariff Commission. Since that time there have been several changes. The original Tariff Commission had nothing to do but to gather facts. It scarcely was given authority to make recommendations. It had not much more authority than the old tariff board had. Later the Tariff Commission was given greater power than that.

I believe in the Tariff Commission. I think it is a step in the right direction of getting away from the logrolling method of levying duties on articles imported into the country. I would be opposed to the elimination of the Tariff Commission. Yet at the same time, with all the advantage of having an expert body to give us the facts upon which the Congress may act, we still have an element of logrolling in tariff legislation. Anyone can see why that is true, because the recommendations of the Commission cannot be more than mere recommendations. They have no binding force. When their recommendations have come to the Congress they have been open to all sorts of amendments from all sorts of interests, and thus we have with us still the element of logrolling.

I have been giving my attention to the gradual changes in the attitude of the Congress as reflected in the creation of the Tariff Commission and the successive amendments under which from time to time greater power has been given to the Commission. I went along with all those provisions without any reluctance. I felt that a very unfortunate situation was created in connection with the enactment of tariff legislation not only because it uprooted business, throwing the whole country into a state of uncertainty, but also because there was a certain element of give and take which was not entirely conducive to the public welfare.

When the proposal was made to write into the tariff law the flexible provision, giving to the President certain legislative authority in connection with tariff rates which up to that time had never been even dreamed of, I confess that it somewhat startled me, if it did not shock me.

I have never been much concerned with the question of whether the tariff is or is not a tax. The question of the delegation of the taxing power was not at that time in my mind. In campaign after campaign in which the tariff question was discussed, the controversy as to whether the tariff was a tax and who paid the tax was prominent. Every Senator knows and will recall with what force, pro and con, the argument along that line has been presented. I cannot imagine anyone saying that a tariff duty is not a tax. I think everyone will admit that it is a form of tax. While there may not be much division among the people as to whether or not it is a tax, there is a tremendous division, if I may use the term "tremendous" in that connection, as to who pays it. I admit that if we put a tax upon coffee, the American consumer pays it. If we put a tax on anything we do not produce, whatever tax in the form of a duty is levied the American consumer, of course, has to pay. If those who espouse that doctrine were consistent in their views on a tariff for revenue only they would seek to place a tax upon such goods as we do not produce and must have, because that would insure revenue. If there is no other consideration except to get revenue, then a tax on coffee or tea or rubber or silk insures revenue, and whatever revenue is raised by a tax on such articles is assessed to the consumer.

That is not so, however, where the tax is put on a competing article. If a tariff tax is put on tin in order to stimulate the domestic production of tin, not only will this country produce the tin it needs, but it will be produced at a lower figure to the consumer than before the tax was imposed. Nobody can say in that case that the consumer pays the tax, because the tax is the agency by which the price paid by the consumer is reduced.

Mr. President, some years ago I was in an audience when President McKinley, then Major McKinley, was running for Governor of my State against a very distinguished Democratic Governor who then was in office. Governor Campbell, the Democratic Governor, a warm personal friend of mine, made this startling statement in that campaign:

> I will pledge myself to swallow all the tin that will ever be produced under the McKinley Act.

He did not know what kind of a task he was undertaking when he made that statement, because it was not very long before the United States had the largest and the third largest tin mills in the world. The largest was at New Castle, Pa., and the third largest was at Elwood, Ind.; and we reached the point where we not only produced all the tin we consumed at a lower price than we had ever previously paid for it but we became one of the great exporters of the world.

Nobody could say that the tax which stimulated that industry was paid by the consumer, for under it the consumer was paying less than before it was put on; and so, as to the question of whether or not the tariff actually is a tax, I do not think there is any serious dispute about it; but as to who pays the tax there is a field of dispute. I do not see how there is any real ground for dispute, however, unless the home competition fails to reduce the price to the consumer.

It has been claimed that under a protective system the producers will get together and fix prices so that they will have a monopoly, and therefore that the price will not be reduced, as it would be if they were in open competition; in other words, that reduction of price forced by competition fails because there is not any real competition, in that the competitors act together. There has been legislation enacted designed to prevent such practices.

Mr. President, I recall very distinctly, as probably most other Senators do, that when it was charged against the protective policy that it produced trusts all over the country, that argument was totally negatived by the mere recital of the fact that most of the great trusts then existing in the United States dealt in articles on which there was no tariff at all. Therefore that argument could not hold; but it was one of the arguments that were offered to claim the attention of the public.

I have mentioned the question which was discussed here yesterday, namely, how Congress may safely delegate to the Executive the exercise of the function of taxation. That question was not involved, of course, in any legislation up to the time of the flexible provision.

As I stated, when the flexible provision was first proposed to be written into law my reaction to it was very adverse; but I recognized the fact that if we maintained the scientific method of tariff legislation based upon the findings of a group of experts in the Tariff Commission, and then confined the President's action to the articles on the dutiable list, and also limited him within a given percentage, in all probability we would remove the element of logrolling; and not only that, but we would bring about the only method by which we could not only deal with a schedule without taking up all others but we could even deal with but one item of a schedule without taking up all the other items.

I voted with much reluctance for the flexible-tariff provision in the law when it was first written, but I did so with the argument in mind which I have just presented, that it was the first and only opportunity ever presented to Congress to avoid opening up the whole tariff question and disrupting the business of the whole Nation, and also to limit the number of items with which we dealt.

That argument appealed to me, and I voted for the bill, though with some reluctance. I agree with those who state that that was the opening wedge. That is where the camel got his nose under the tent. It may have been a mistake. When we take the first step there is no telling how soon the second step will be taken, how much longer the second step will be, and how long it will be until our exceptional step becomes our daily walk. That is the danger in these innovations; and I see clearly that that step was the basis on which this legislation is now demanded.

Mr. President, while it is perfectly justifiable for any Senator or legislator, in the course of his public duties to change his attitude if he can find a basis on which it should be done, and his action in doing so is not subject to condemnation, it is difficult for me to understand how any man who was strongly opposed to the first step, and who concisely and powerfully stated his opposition at the time of the original legislation, can so easily abandon his opposition, swallow all his words, and leap so much farther than the original step. The exigency must be tremendous to justify such a course. I do not think it exists in this case.

There is not any consistency in political life, no matter how much one may desire to be consistent. It has been the rule, I think, in every country—I know it has been in ours—that a leader who takes a position today may tomorrow completely reverse his position.

I think the most outstanding example is the case of Thomas Jefferson, a strict constructionist, a believer in the Bill of Rights, a believer in State rights as against central government, a man greatly concerned about the Federal Government going beyond its field, who came to the Presidency feeling the necessity of responsible power. One of the first problems that confronted him was what to do about the great territory west of the Mississippi owned by France, but which had been changing hands, once belonging to Spain and then to France, and which at the time was in danger of becoming the possession of Great Britain. Jefferson saw no way by which he could purchase Louisiana. There was not any authority in the Constitution, as he read it, to do so. France and Great Britain were at war, and it seemed very certain that Great Britain would win. Jefferson faced what he regarded as the fatal possibility of Great Britain coming into possession of all the territory west of the Mississippi River. Whether or not he knew it as well as we do now, of course none of us can know, but I am impressed with the belief that he knew that where Great Britain once plants her foot she does not lift it again, and he saw the possibility of the boundary of the United States being permanently fixed at the Mississippi, with the mother country owning the territory on the west, the consequences of which nobody could foresee.

With that picture in his mind, whatever might have been his dream of what the Nation in the ultimate might become, he counseled with such men as Albert Gallatin, who was, perhaps, next in ability to Hamilton. When he laid the picture before his Secretary of the Treasury, who was as well a great lawyer, Gallatin told him there was nothing for him to do except to proceed to purchase the territory. Jefferson replied to Gallatin that he had no power to purchase it, and he suggested the feasibility of having submitted an amendment to the Constitution granting him power to purchase it. But Gallatin, the practical-minded man, informed the President that long before the amendment could be ratified what was to be done would be done, and the deed would be closed. He said to Jefferson, "The thing to do is to buy it."

Later Jefferson said, in a letter:

> I proceeded to purchase Louisiana, and I stretched the Constitution until it almost cracked.

I think that was one of the greatest deeds of Jefferson's life, yet it was in direct opposition to the fundamental theory of the President being held to a strict view of the Constitution.

Mr. President, I have it not in my mind severely to criticize persons because they take a position on a question today diametrically opposed to their stand only a short time ago. It is only a suggestion that they believe there exists some very serious emergency.

I shall not today discuss the possibilities locked up in the proposal before us. I intend to discuss them early next week, confining myself entirely to the potentialities of the legislation, because I want to give my opinion of the trend of Congress in abdicating its authority, especially in view of the ease with which the second step is taken after the first. I am much concerned about where we are going, in the light of what we see happening.

On yesterday we were privileged to hear one of the most powerful dissertations upon the constitutional phase of this proposed legislation it has ever been my pleasure to listen to. I doubt whether the Senator from Idaho [Mr. BORAH] ever reached a higher level than that he reached yesterday in discussing that question. When I think of how the taxing power is reserved to this body by the organic law, the Constitution of the United States, which cannot be changed except by the people who made it; when I reflect that without an effort to change it we resort to such expedients as we did in the Agricultural Adjustment Act, namely, delegate to a Cabinet officer the power to lay a tax not only on every consumer but on behalf of a limited number of producers, violating two features, the very fundamentals, of the Constitution; when I realize that in the same law we authorized a second breach of the Constitution by appropriating money out of the Treasury, by the law which created the authority, before the money is collected and turned into the Treasury, violating directly the constitutional limitation on the expenditure of Federal money; when I think of the ease with which we are moving today in these directions, I become absolutely concerned. But that is only one phase of the discussion.

I desire to take more time than I have today to discuss that phase of the proposal, and then I shall discuss the error in its philosophy, which I think we ought to avoid. But I will not go further than I have gone today, as I have just been notified that another Senator would like to be heard at this time.

CONTROL OF ARMS AND MUNITIONS TRAFFIC (S.DOC. NO. 180)

The PRESIDING OFFICER (Mr. BACHMAN in the chair) laid before the Senate a message from the President of the United States, which was read and ordered to be printed, as follows:

To the Senate of the United States:

I have been gratified to learn that, pursuant to a resolution of the Senate, a committee has been appointed to investigate the problems incident to the private manufacture of arms and munitions of war and the international traffic therein. I earnestly recommend that this committee receive the generous support of the Senate, in order that it may be enabled to pursue the investigation with which it is charged with a degree of thoroughness commensurate with the high importance of the questions at issue. The executive departments of the Government will be charged to cooperate with the committee to the fullest extent in furnishing it with any information in their possession which it may desire to receive, and their views upon the adequacy or inadequacy of existing legislation and of the treaties to which the United States is a party for the regulation and control of the manufacture of and traffic in arms.

The private and uncontrolled manufacture of arms and munitions and the traffic therein has become a serious source of international discord and strife. It is not possible, however, effectively to control such an evil by the isolated action of any one country. The enlightened opinion of the world has long realized that this is a field in which international action is necessary. The negotiation of the Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, signed at Geneva, June 17, 1925, was an important step in the right direction. That convention is still before the Senate. I hope that the Senate may find it possible to give its advice and consent to its ratification. The ratification of that convention by this Government, which has been too long delayed, would be a concrete indication of the willingness of the American people to make their contribution toward the suppression of abuses which may have disastrous results for the entire world if they are permitted to continue unchecked.

It is my earnest hope that the representatives of the nations who will reassemble at Geneva on May 29 will be able to agree upon a convention containing provisions for the supervision and control of the traffic in arms much more far-reaching than those which were embodied in the convention of 1925. Some suitable international organization must and will take such action. The peoples of many countries are being taxed to the point of poverty and starvation in order to enable governments to engage in a mad race in armaments which, if permitted to continue, may well result in war. This grave menace to the peace of the world is due in no small measure to the uncontrolled activities of the manufacturers and merchants of engines of destruction, and it must be met by the concerted action of the peoples of all nations.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 18, 1934.*

Mr. HARRISON. Mr. President, I ask that the message be referred to the Special Committee on Investigation of Munitions Industry recently appointed. It seems to me the message should go to that committee.

The PRESIDING OFFICER. The message will be referred to the special committee.

Mr. VANDENBERG. Mr. President, as one of the joint authors, with the able Senator from North Dakota [Mr. NYE], of the resolution which the President so graciously and so heartily commends, and as a member of the select committee, I desire to express my keen appreciation of the vigorous word the President has sent to the Senate, and his complete opening of all branches of administrative cooperation to the great work which we have in hand. The President may be assured that, under the able leadership of the Senator from North Dakota, this probe will proceed to the utmost limits and to the maximum of constructive results. It can easily become the most powerful peace factor in this modern world.

I am hopeful that under the impulse of this message the Committee to Audit and Control the Contingent Expenses of the Senate will seriously consider the need for a substantially increased appropriation above the limit of the $15,000 allowed to the committee for its heavy task, so that the job may be done as completely as the President and the committee and the country want it done.

Mr. NYE. Mr. President, I wish to express my appreciation of the words which the Senator from Michigan has spoken. For the information of the Senate, I may say that the committee which has been named to carry on the investigation of the munitions industry is proving one of the most cooperative, I believe, it has ever been the good fortune of the Senate to name. There is unity of purpose on the part of the committee membership, and, with the aid which I am sure the Senate will give when additional funds shall be provided, I feel secure in assuring the Senate that the study being undertaken will be most thorough and sweeping.

I hope the committee will be in position, before this day shall end, to announce the man who is to lead in the research in connection with the investigation and represent the committee as its counsel.

Mr. LONG. Mr. President, what was it the Senator was announcing, the appointment of the committee to investigate the munitions industry, in connection with the President's message?

Mr. NYE. That is correct.

Mr. LONG. I was hoping the Senator was making some announcement about the message on the N.R.A. Has the Senator made any announcement about that lately? What has become of that?

Mr. NYE. The Senator has made no such announcement, but I expect there will be an announcement made before long.

Mr. LONG. When are we to get the message? What is wrong that we cannot get hold of that document? I have been trying to get it for some time.

FARM CONDITIONS IN THE UNITED STATES AND IN RUSSIA

Mr. SCHALL. Mr. President, I ask consent to have printed in the Appendix of the RECORD a statement and an article appearing on May 10 in the St. Paul Dispatch, with reference to Russia.

Mr. McKELLAR. Mr. President, will the Senator state what it is?

Mr. SCHALL. It is an article pertaining to Russia, printed in the St. Paul Dispatch on May 10.

Mr. McKELLAR. Mr. President, I note from an examination of the article the Senator has sent to the desk that he has an address, apparently, connected with the newspaper article. I call the attention of the Senator to the fact that it is a violation of the rules of the Senate to print the address without reading.

Mr. SCHALL. Then I will have the clerk read it, if there is any objection.

Mr. McKELLAR. I think that would be better.

Mr. SCHALL. I ask that the clerk read the statement.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

Mr. SCHALL. Mr. President, I have just read an article in the St. Paul Dispatch of May 10 about Soviet Russia, which points out at least one of the blessings of communism and a collective state, namely, starvation of its teachers. Here in this country our children hear so much about the better conditions that prevail under some other form of government that it must have been enlightening for them to hear the true conditions. In Minnesota especially has the Farmer-Labor Party, as the party in control of the State administration, decided that it will proceed forthwith to install a program à la Russia by taking over the factories and other economic institutions, and by setting up a plant for printing textbooks where the soviet doctrine may have free sway.

The Farmer-Labor Party left the farmers out of its soviet program largely because they are being subjugated and regimented by the Democratic administration in Washington, which, not being satisfied with the stringent rules laid down in the original Agricultural Adjustment Act and in the Bankhead Act, under which their property is to be confiscated if they do not obey the dictates of a Washington bureaucracy, is now trying to impose regimentation and subjugation on all farm products. But the weather has set in to upset their program, for in the Middle West we have just been visited by the worst dust storm in history, which left havoc in its wake, with strong prospects of hunger and starvation, as a reward for the administration's efforts in destroying crops and in killing and burning livestock.

The Democratic administration, like the Farmer-Labor platform, is evidently trying to emulate Russia, where, according to another article in the same paper, there is trouble in raising crops because of drought, in spite of regimentation, and Government inspectors checking up on livestock, acres, bushels, and bales.

We should hesitate to install a Russian program in my State or in our country to supplant the democracy of Washington, Jefferson, Lincoln, and Theodore Roosevelt, in spite of all the good we hear about communism from the Farmer-Labor program in Minnesota and the "brain trust" in Washington.

I ask leave to insert the two articles in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the St. Paul (Minn.) Dispatch, May 10, 1934]

RUSSIAN TEACHERS UNPAID FOR MONTHS—STEAL WOODEN CROSSES FROM GRAVES TO KEEP FIRES GOING

By William H. Stoneman

MOSCOW, May 10.—The plight of 10 village school teachers in Mikhailova, a village in the central black earth region, who were forced to steal crosses from the local cemetery in order to keep their fires going last winter, was reported today by the official Moscow newspaper, Izvestia, in connection with the campaign for the payment of teachers' salaries.

Unpaid for 3 or 4 months because of the complacence of local officials, these teachers, reports Izvestia, received nothing to eat except ancient vegetables and, being unable to afford kerosene, had to do their night work by the light of fagots.

When the secretary of the regional executive committee heard that the teachers were raiding the graveyard for wood, he is reported to have replied: "That is splendid. They are combining our fiscal interests with antireligious propaganda."

The teachers' complaints against unedible rations were answered by the retort, "What do you expect to eat—truffles?"

For weeks now there has been an intensive press campaign for the payment of teachers' salaries, which in five different districts are nearly 10,000,000 rubles in arrears. Unfortunately, many of the officials responsible for this situation either do not read newspapers or have already used up the money which the budgets assigned to the teachers.

[From the St. Paul (Minn.) Dispatch, May 10, 1934]

SOVIET ALARMED AT PROLONGED DROUGHT—HOT SUN BAKES FIELDS IN AREAS PRODUCING THREE FOURTHS OF RUSSIA'S WHEAT

By William H. Stoneman

MOSCOW (via Berlin), May 10.—Soviet officials are beginning to show extreme concern over the prolonged drought which has been laying siege to the rich grain fields of the Ukraine and north Caucasus for the past 2 months, and which already seems to have ruined the chances for anything better than a fair crop in those regions this year.

Since 1921, the year of the nation-wide famine, the Soviets have been riding their luck high, wide, and handsome, as far as the weather has been concerned, giving rise to the drollery that "God is always on the side of the Bolsheviks." Their only two crop failures during the intervening period came in 1931, when the region from the Volga to the Chinese frontier was parched, and in 1932, when the peasants refused to sow and reap their crops because of the resentment at the confiscatory methods of the Government.

All during the period of collectivization the weather has been good enough to compensate largely for the discontent of the farm population.

Day after day during recent weeks the charts of the agricultural newspaper, Socialist Agriculture, have shown nothing but baking sunshine in the Ukraine, Caucasus, and Volga districts, which together produce two thirds of Russia's grain and perhaps three quarters of its wheat. When this correspondent visited the southern districts 2 weeks ago every official encountered had the word "rain" on his tongue while the peasants constantly scanned the skies for the trace of a cloud. Numerous people asked for information regarding American rain-making devices, and were disappointed to learn that they were nothing but fakes.

The political results of a bad crop this year would be unfortunate, to say the least. Collectivized agriculture is just getting onto its feet, partly because of the good crop last year, which allowed the Government to leave sufficient food with the peasantry, and partly because of the activities of the political sections, composed of party members dispatched from the cities.

If there is another good crop this year, the Soviet's position with respect to the peasantry should be considerably strengthened, and collectivization may once for all be established on a permanent basis. If there is a poor or catastrophically bad crop, nobody can predict the consequences.

The peasantry, which is still morose and devitalized by the ghastly famine of 1933, would unquestionably suffer again, though perhaps not to such an unthinkable degree as it did last year. The political sections, which are now functioning satisfactorily, would have their morale threatened and be forced to start work all over again.

Finally, the situation in the Far East might take a quick turn for the worse if the Japanese were to know that there was great difficulty behind the lines.

So far there is no reason to predict a truly bad crop unless one takes stock in the pre-war tradition that one catastrophic year is due in every decade, in which case the Soviet is long overdue to have one.

Generally speaking, the Soviet fields have been sown well before schedule and throughout the south most of the wheat fields have been planted with winter wheat, which can be counted on to give from 4½ to 7½ bushels to an acre, if well planted, even when there is no rain during the spring and summer. Spring crops—oats, barley, corn—would be the hardest hit in case of a prolonged drought.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

GEORGE THE THIRD AND ROOSEVELT THE SECOND

Mr. SCHALL. Mr. President, the American Revolution of 1776 was precipitated by the action of George III in levying duties at American ports without consent of the colonial assemblies.

George III, as admitted and freely charged by William Pitt and Lord Chatham, by Fox, and Edmund Burke, had violated Magna Carta by assuming to himself the power of taxation without representation.

Article I of the American Constitution places the tariff-making power, the revenue power, as the first grant of power by the American people to Congress. The power to tax, which is the power to destroy, is the fundamental power of the legislative branch of government in every republic and every nation having a democratic constitution.

The administration demands that Congress delegate to the White House the legislative power to raise or lower tariff duties 50 percent, article I of the Constitution notwithstanding.

The administration demands that the Senate shall abdicate its coequal treaty-making function as provided in article II of the Constitution.

The administration already, under the flexible clause of the present tariff act, has the power to raise or lower tariff duties 50 percent after hearings and findings of fact by the United States Tariff Commission. The President appoints the controlling majority of that Commission. Recommendations of the White House receive consideration at the hands of the Tariff Commission. Why have a Tariff Commission if it is to be shorn of all participation as a fact-finding body in raising and lowering tariff duties?

That the administration already has all the tariff-making powers that it needs in making needed tariff changes is shown by the President himself in his message to Congress on May 9, in which he informs Congress:

Acting upon the unanimous recommendations of the United States Tariff Commission, I have today signed a proclamation, under the so-called "flexible-tariff provisions" of the Tariff Act of 1930, reducing the rate of duty on sugar.

He estimates the reduction of the duty from 2 cents to 1½ cents a pound on Cuban sugar, consistent with the terms of the Jones-Costigan bill (H.R. 8861).

This reduction of duty on sugar proves that the President has ample power under existing law to revise the tariff without violation of the Constitution, without resorting to imperial secret actions, without placing all the industries of the country under the pall of uncertainty, and without destroying the confidence of the people in the Government.

What the White House has done with regard to the duty on sugar, under the Constitution and by aid of the Tariff Commission created by law, the White House can do with regard to all other tariff duties—give the industries affected the right of a public hearing before a fact-finding commission without secrecy and without fear of arbitrary and unconstitutional acts by the Executive.

Thus, the United States Senate in 1934 is confronted with the issue of 1776, when George III assumed the tariff-making power and precipitated the Boston Tea Party, and the same issue as that of 1215, when the farmer barons at Runnymede compelled King John to sign Magna Carta and surrender the taxing power to the Commons.

Strangely enough, the same Senators who, in drafting the Fordney-McCumber Tariff Act of 1922, and the Hawley-Smoot Act of 1930, were appalled at the flexible-tariff provision which authorized the President to sign a tariff change arrived at after hearings and testimony and published findings by a Tariff Commission are the Senate leaders today who are in favor of dispensing with Tariff Commission hearings and delivering to Roosevelt, the second, the tariff-making powers unlawfully exercised by George III.

Among the leading Democratic orators who made the Capitol dome echo with thunders against the flexible tariff were the honorable chairman of the present Senate Finance Committee, the eloquent Senator from Mississippi [Mr. HARRISON], and the Democratic floor manager, the able Senator from Arkansas [Mr. ROBINSON]. In the lower House one of the leading orators against the flexible tariff was the gentleman from Tennessee, Mr. Hull, our present Secretary of State, who said at the time that "no honest President would ask such power, and no President, however honest he might be, should have it." One can enumerate something like 30 Senators today with seats in the Senate who were horrified at the "unconstitutional" demand of the White House during the terms of Harding, Coolidge, and Hoover for tariff-making power—Senators who today are not even satisfied with the flexible power after hearings and findings of the Tariff Commission, but demand that Congress go one step further and give the White House direct power to act without Tariff Commission findings.

The Senate Chamber for 100 years has resounded to the eloquence of Democratic orators protesting against Executive encroachment upon the revenue power—the chief power of Congress.

As recently as October 2, 1929, a Senate majority of 47 to 42—including 33 Democrats and 14 Republicans—was so strongly opposed to yielding the White House any tariff-making powers beyond signing an act of Congress, that they voted to repeal even the flexible clause and voted for the Simmons amendment to require the President to submit the Tariff Commission report to Congress to insure constitutional enactment. A majority of the Senators in this Chamber may well recall the words and the committee recommendations submitted on that day by the Senator from Arkansas [Mr. ROBINSON], who—pages 4138, 4139 of the CONGRESSIONAL RECORD—submitted the report of the select committee on the Investigation of the United States Tariff Commission.

The first recommendation of this committee, signed "Jos. T. Robinson, Wm. Cabell Bruce, Robert M. La Follette, Jr.", provided:

(1) That the flexible provision of the Tariff Act of 1922, particularly section 315, be repealed.

The Senate, including all Democrats, except 2 from Louisiana, 1 from Florida, and 1 from Iowa, only one of whom was reelected, did not believe that it accorded with American principles to allow a President the power to sign a tariff revision even after investigation and recommendation by the United States Tariff Commission.

Among the reasons named by the Senate committee headed by the Senator from Arkansas [Mr. ROBINSON] were these:

It is impracticable for the President to devote the time and attention essential to the proper performance of the duties imposed upon him by the flexible tariff law. The Chief Executive is already overburdened with executive duties.

And 47 Senators agreed to this, including all the Democrats excepting 4, of whom 3 were defeated for reelection.

Concerning the one remaining Democrat, the Senator from Florida [Mr. FLETCHER], it must be said that he also advocated an amendment of the flexible-tariff section by requiring the President to submit the proposed tariff revision to Congress—the Presidential duty not to become effective unless Congress failed to act within 6 months. But 32 Democrats, including the Senator from Arkansas [Mr. ROBINSON] and the Democratic chairmen, I believe of every committee of the present Senate, voted "nay" even on the Fletcher amendment of October 2, 1929. See page 4149. There was too much tariff-making power granted to the President—so the Democrats and 14 Republicans, including myself, voted—even though the President had to submit his proposed revision with the findings of the Tariff Commission to Congress and gave Congress 6 months in which to amend the change of duty.

Further, the Senate committee headed by the Senator from Arkansas [Mr. ROBINSON] declared:

Tariff making and revision under our Constitution are legislative duties, and to impose such responsibilities upon the President as are carried in the flexible provision confuses legislative and executive responsibility.

And 47 Senators agreed to that, including 33 Democrats, 14 Republicans, including myself, and all the Democratic chairmen of the present Senate, including the Senator from Mississippi, Chairman of the Senate Finance Committee, in charge of the present White House bill.

This committee of investigation made a report, I will say to the Senator from Arkansas [Mr. ROBINSON], that not only filled two pages of the CONGRESSIONAL RECORD but a learned report which for economic thought appealed to all Democrats on the Senate Finance Committee and for legal and constitutional erudition appealed to all Democratic jurists on the Senate Judiciary Committee headed by the learned Senator from Arizona [Mr. ASHURST], who cast his every vote against White House encroachment on the tariff-making powers of Congress.

Because this or that European or Asiatic monarch has the power of secret diplomacy to change tariff duties overnight is no reason why the American people and American industries and American labor should be subject to the will of a monarch. Foreign powers have ways of their own which the American Republic is not bound to copy. The presence of 130,000,000 citizens in our 48 States is ample proof that the ways of Old World potentates, under which our ancestors once lived, are ways which freemen seek to flee.

One of the chief causes why the United States has double the population of any country under a king and an industrial production greater than that of any four European countries combined, is that the taxing power, which includes tariff making, has been taken from the Executive, whether king or other potentate, and placed in a Congress elective by the people, and representative of their industrial needs, under a Constitution of their own creation.

One of the most astounding revelations with regard to this White House demand is the apparent surrender by the Senate majority and by members of the President's Cabinet of all their proclaimed convictions on the very issue involved in this tariff bill.

The Constitution, Mr. President, has not changed since October 1929 with reference to the tariff-making powers of Congress. Have the convictions of Democratic Senators been changed, like so many political weather vanes? I shall never believe it, Mr. President, except on the record of their own recorded votes. I shall continue to believe that the Ship of State is still safely anchored to the Constitution, until I hear the rats scrambling from the hold to jump into an uncertain sea.

It seems that Will Rogers, himself a Democrat without hypocrisy and gifted with an American sense of humor, has grasped the essence of the new deal when he declares that the new-deal Democracy means:

Equal rights for none; special privileges for all.

To that he should have added the provision, "Provided, that special privileges go only to those who carry a Blue Eagle and subscribe to Farley's campaign fund."

American protests against this reversal of American history by giving to Roosevelt, the second, the unlawful powers of George III are coming from every American industry, if not from every American State, city, and county.

Unanimous approval of this tariff bill comes only from abroad. Are we here to represent the American people, American industries and employment, or the Europeans and European industries and employment?

The highest enthusiasm for this tariff bill comes from Great Britain and the British possessions. A press cable from Australia announces great enthusiasm there for the White House tariff bill, because Australia and New Zealand see in America their best future market for beef products, wool, and butter, which they will gladly exchange at New York, Boston, Philadelphia, Washington, and San Francisco for farm machinery, motor cars, Yankee notions, and cigarettes. India will send us wool and long-staple cotton in exchange for cars and calico. Canada will send us wheat, milk, and butter in trade for farm machinery and gasoline.

In short, this tariff bill has boomed British markets to a point comparable with the $14 premium which we are paying on gold from British mines, which caused the gold-mine stocks of Johannesburg to rise 100 percent at the opening of the present year. No wonder that Great Britain, Canada, and Australia have a market boom and balanced budgets when the White House and a subservient Congress are doing all in their power to build up Europe at the expense of the United States.

EFFECT OF TARIFF THREAT ON HOME MARKETS

If we turn to the financial page of the New York Times, leading New York organ of the administration, we can there read for ourselves in the Sunday issue of May 6 the logical effect of this tariff threat as affecting the volume of stock-market transactions, commodity prices, and employment.

Page N-11 of the financial page tells us that in the week ended May 5, 1934, only 6,991,764 shares of stock changed hands, as compared with 26,279,787 shares in the same week a year ago and before the N.R.A. and threat of tariff revolution paralyzed the market. The shrinkage from over 26,000,000 shares to less than 7,000,000—a shriveling of nearly 75 percent—reflects the normal reaction of the investing public to a bedlam of bold experiments which the dynasty in power chooses to call "recovery."

American industry, which employs American labor, buys American materials, and affords a field for the savings of American investors, is at the mercy of a smiling dictatorship which has no regard for consequences, for constitutional guarantees, or for legislative representation in Congress.

American industry and employment, if this tariff bill passes, may not stand under what is called the "sword of Damocles", but will halt under what may prove to be more disastrous—the uncontrolled edict of a bold experimenter who knows little and cares less about the conditions and factors that make for successful industry and sustained employment.

Turn to page N-15 of the same issue of the New York Times, May 6, and you will read the monthly report of the American Federation of Labor, which tells you that in the employment field "ground has been lost since October under the operations of the N.R.A."

That—

The individual worker in industry made no gain whatever in real wages from March 1933 to March 1934.

That—

At the end of March 10,900,000 workers were still unemployed.

That the present month of May, with the dull winter months past, there are still 10,000,000 workers unemployed at American mills and factories.

And now comes a tariff threat, throwing into chaos all plans of legitimate industry for expansion of production and employment. Under the former and existing system of hearings before the Tariff Commission, an opportunity is afforded the factory management to develop plans to meet tariff changes. Under the proposed Executive dictatorship, clouded in secrecy which not even Congress is permitted to share, the factory management has no chance whatever—except through Government "leaks" which go to favorites.

Under such a condition, abhorrent to all believers in American freedom and law, imagine the life of an industry which once labored in the faith that the flag and the Constitution were guarantees of industrial liberty. Without favoritism and "leaks" from the White House, an industry subject to disasters from tariff making by secret bold experiments has no option but to curtail its program of expansion and live from hand to mouth. And labor will suffer the consequences of uncertain employment.

In letting down the bars for certain foreign goods the American industry affected thereby will be sacrificed. The genius of this tariff bill is to leave that question to the President. The judgment of Congress, pursuant to article I of the Constitution, is to be prohibited, and the White House becomes the exclusive judge as to what industry must go on the block, or be cast in penal servitude for a 3-year term.

The White House will be judge and jury up to 50 percent of all exercise of tariff power—and 50 percent is just as effective for all practical purposes and results as 100 percent. A 50-percent lowering of the bars is all the foreign competitor asks—he can jump over the remainder of the fence if half the top is torn off.

Both the N.R.A. and the A.A.A., if they have had any marked effect, have boosted American production costs. The 350 N.I.R.A. codes compel price boosting in American markets at the penalty of fine and imprisonment. The $1,000,000,000 of estimated A.A.A. processing taxes from now till 1936 must all be added to industrial production costs. The N.R.A. and A.A.A. and 37 other alphabetical doles, which are adding $10,000,000,000 to public debt and a yearly interest burden and increased taxes, must all be absorbed by industry in the shape of increased production costs. Not lower but higher tariff fences are forced to protect American industry during the next 2 years.

If there is any method of blocking recovery, if there is any burden to crush legitimate industry and rob the consumer that we have not yet heard of, just wait another week until the "brain trust" boys recover from the booking agencies of the Kentucky Derby. If they did not pick up another bold experiment at the Derby, watch out for them when they get over the Preakness.

The pending tariff bill is the ripened experiment born of the fishing trip on the Caribbean Sea. The bonus of $14 an ounce on gold seems to have been the idea which Morgenthau senior and Barney Baruch brought back from London and Paris on their trip over there last summer and fall.

Congress has become a Democratic caucus. And a Democratic caucus, as defined by George Rothwell Brown, a Democratic paragrapher, is a place where politicians loaf around until somebody calls up the White House.

Hereafter, we will not have to go to the trouble of calling up the White House. After the Senate shall have abdicated both its treaty-making power and its tariff-making power, the White House will cut its Capitol wires, except to such

Senator who wants a "leak" for some contributor to Farley's campaign fund. And this was once a Republic, this was a Nation, instead of a bold experiment in patent medicines; this was the Senate, instead of a doormat for the "brain trust."

SUPERVISION OF INTERNATIONAL TRADE IN ARMS

As in executive session,

Mr. PITTMAN. Mr. President, I ask unanimous consent, out of order, to report back favorably with a reservation from the Committee on Foreign Relations, Executive H, Sixty-ninth Congress, first session, being "A convention for the supervision of the international trade in arms and ammunition and in the implements of war", signed at Geneva, Switzerland, on June 17, 1925, and I submit a report (Ex. Rept. No. 4) thereon. I ask that the accompanying resolution be read into the RECORD, that the injunction of secrecy be removed from the convention.

The PRESIDING OFFICER. Without objection, the report will be received, the injunction of secrecy will be removed from the convention, and the resolution will be read.

The legislative clerk read the resolution, as follows:

Resolved (two thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive H, Sixty-ninth Congress, first session, "A convention for the supervision of the international trade in arms and ammunition and in the implements of war", signed at Geneva, Switzerland, on June 17, 1925, subject to the reservation that the said convention shall not come into force so far as the United States is concerned until it shall have come into force in respect to Belgium, the British Empire, Czechoslovakia, France, Germany, Italy, Japan, Sweden, and the Union of Soviet Socialist Republics.

The convention is as follows:

[Executive H, 69th Cong., 1st sess.]

SUPERVISION OF INTERNATIONAL TRADE IN ARMS

CONVENTION FOR THE SUPERVISION OF THE INTERNATIONAL TRADE IN ARMS AND AMMUNITION AND IN IMPLEMENTS OF WAR

GERMANY, THE UNITED STATES OF AMERICA, AUSTRIA, BELGIUM, BRAZIL, THE BRITISH EMPIRE, CANADA, THE IRISH FREE STATE AND INDIA, BULGARIA, CHILE, CHINA, COLOMBIA, DENMARK, EGYPT, SPAIN, ESTHONIA, ABYSSINIA, FINLAND, FRANCE, GREECE, HUNGARY, ITALY, JAPAN, LATVIA, LITHUANIA, LUXEMBURG, NICARAGUA, NORWAY, PANAMA, THE NETHERLANDS, PERSIA, POLAND, PORTUGAL, ROUMANIA, SALVADOR, SIAM, SWEDEN, SWITZERLAND, THE KINGDOM OF THE SERBS, CROATS AND SLOVENES, CZECHOSLOVAKIA, TURKEY, URUGUAY AND VENEZUELA

Whereas the international trade in arms and ammunition and in implements of war should be subjected to a general and effective system of supervision and publicity;

Whereas such a system is not provided by existing Treaties and Conventions;

Whereas in relation to certain areas of the world a special supervision of this trade is necessary in order to render more effective the measures adopted by the various Governments as regards both the import of such arms and ammunition and implements of war into these areas and their export therefrom; and

Whereas the export or import of arms, ammunition or implements, the use of which in war is prohibited by International Law, must not be permitted for such purpose;

Have decided to conclude a Convention and have accordingly appointed as their Plenipotentiaries:

[Here follow the names of the Plenipotentiaries.]

Who, having communicated their full powers, found in good and due form, have agreed as follows:

CHAPTER I. CATEGORIES

ARTICLE 1

For the purposes of the present Convention, five Categories of arms, ammunition and implements are established:

CATEGORY I. ARMS, AMMUNITION AND IMPLEMENTS OF WAR EXCLUSIVELY DESIGNED AND INTENDED FOR LAND, SEA OR AERIAL WARFARE

A.—Arms, ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are or shall be comprised in the armament of the armed forces of any State, or which, if they have been but are no longer comprised in such armament, are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered by other Categories.

Such arms, ammunition and implements are comprised in the following twelve headings:

1. Rifles, muskets, carbines.

2. (a) Machine-guns, automatic rifles and machine-pistols of all calibres;

(b) Mountings for machine guns;

(c) Interrupter gears.

3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above.

4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus.

5. (a) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15 cm.);

(b) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above;

(c) Mortars of all kinds;

(d) Gun carriages, mountings, recuperators, accessories for mountings.

6. Projectiles and ammunition of the arms enumerated in No. 5 above.

7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles.

8. (a) Grenades;

(b) Bombs;

(c) Land mines, submarine mines, fixed or floating, depth charges;

(d) Torpedoes.

9. Appliances for use with the above arms and apparatus.

10. Bayonets.

11. Tanks and armoured cars.

12. Arms and ammunition not specified in the above enumeration.

B.—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

CATEGORY II. ARMS AND AMMUNITION CAPABLE OF USE BOTH FOR MILITARY AND OTHER PURPOSES

A.—1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm. and length of barrel greater than 10 cm.

2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges that can be fired from fire-arms in Category I; other rifled fire-arms firing from shoulder, of a calibre of 6 mm. or above, not included in Category I, with the exception of rifled fire-arms with a "break-down" action.

3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I.

4. Swords and lances.

B.—Component parts, completely finished, of the articles covered by A above, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts.

CATEGORY III. VESSELS OF WAR AND THEIR ARMAMENT

1. Vessels of war of all kinds.

2. Arms, ammunition and implements of war mounted on board vessels of war and forming part of their normal armament.

CATEGORY IV

1. Aircraft, assembled or dismantled.

2. Aircraft engines.

CATEGORY V

1. Gunpowder and explosives, except common black gunpowder.

2. Arms and ammunition other than those covered by Categories I and II, such as pistols and revolvers of all models, rifled weapons with a "break down" action, other rifled fire-arms of a calibre of less than 6 mm. designed for firing from the shoulder, smooth-bore shot-guns, guns with more than one barrel of which at least one barrel is smooth-bore, fire-arms firing rimfire ammunition, muzzle-loading fire-arms.

CHAPTER II. SUPERVISION AND PUBLICITY

ARTICLE 2

The High Contracting Parties undertake not to export or permit the export of articles covered by Category I, except in accordance with the following conditions:

1. The export shall be for a direct supply to the Government of the importing State or, with the consent of such Goverment, to a public authority subordinate to it;

2. An order in writing, which shall be signed or endorsed by a representative of the importing Government duly authorised so to act, shall have been presented to the competent authorities of the exporting company. This order shall state that the articles to be exported are required for delivery to the importing Government or public authority as provided in paragraph 1.

ARTICLE 3

Nevertheless, export for supply to private persons may be permitted in the following cases:

1. Articles covered by Category I exported direct to a manufacturer of war material for use by him for the requirements of his industry, provided their import has been duly authorised by the Government of the importing country;

2. Rifles, muskets and carbines and their ammunition exported for supply to rifle associations formed for the encouragement of individual sport and duly authorised by their own Government to use them, the import of which is not contrary to any other provisions of the present Convention. Such arms and ammunition shall be sent direct to the Government of the importing country for transmission by such Government to the associations for which they are supplied.

3. Samples of articles covered by Category I exported for demonstration purposes direct to a trade representative of the exporting manufacturer, such representative being duly authorised by the Government of the importing country to receive them.

In the above-mentioned cases, an order in writing, endorsed by the Government of the importing country or by its representative duly authorised so to act, must have been presented to the authorities of the exporting country. It shall contain all the information necessary to show that the order is properly made under this Article.

ARTICLE 4

Permission to export under Articles 2 and 3 shall be signified by a license. An export declaration, if filed with and approved by the competent authorities of the exporting country, may take the place of a licence.

Such licence or declaration must contain:

(a) A description sufficient for the identification of the articles to which it relates, and giving their designation according to the headings in Category I, and their number or weight;

(b) The name and address of the exporter;

(c) The name and address of the importing consignee;

(d) The name of the Government which has authorised the import.

Each separate consignment which crosses the frontier of the exporting country, whether by land, water or air, shall be accompanied by a document containing the particulars indicated above. This document may be either the licence or export declaration or a certified copy thereof or a certificate issued by the Customs authorities of the exporting country, stating that the consignment is exported under licence or export declaration in accordance with the provisions of the present Convention.

ARTICLE 5

The articles covered by Category II shall only be exported under cover of an export document, which may be either a license issued by the competent authorities of the exporting country or an export declaration endorsed by or filed with them. If the legislation of the importing country requires the endorsement of a duly authorised representative of its Government, and if this fact has been notified by the said Government to the Government of the exporting country, then such an endorsement must have been obtained and submitted to the competent authorities of the exporting country before the export may take place.

Neither the license nor the export declaration shall entail any responsibility upon the Government of the exporting country as to the destination or ultimate use of any consignment.

Nevertheless, if the High Contracting Parties consider, on account of the size, destination or other circumstances of a consignment, that the arms and ammunition consigned are intended for war purposes, they undertake to apply to such consignment the provisions of Articles 2, 3 and 4.

ARTICLE 6

As a preliminary to a general system of publicity for armaments irrespective of their origin, the High Contracting Parties undertake to publish, within two months of the close of each quarter, a statistical return of their foreign trade during this quarter in the articles covered by Categories I and II. This return shall be drawn up in accordance with the specimen forms contained in Annex I to the present Convention and shall show under each heading appearing in Categories I and II in Article 1 the value and the weight or number of the articles exported or imported under a licence or export declaration, allocated according to country of origin or destination.

In all cases where the consignment comes from, or is sent to, a territory possessing an autonomous Customs system, such territory shall be shown as the country of origin or destination.

The High Contracting Parties further undertake, so far as each may be concerned, to publish within the same time-limits a return containing the same information in respect of the consignments of articles covered by Categories I and II to other territories placed under their sovereignty, jurisdiction, protection or tutelage, or under the same sovereignty, jurisdiction, protection or tutelage.

The first statistical return to be published by each of the High Contracting Parties shall be for the quarter beginning on the first day of January, April, July or October, subsequent to the date on which the present Convention comes into force with regard to the High Contracting Party concerned.

The High Contracting Parties undertake to publish as an annex to the above-mentioned return the text of the provisions of all statutes, orders or regulations in force within their territory dealing with the export and import of articles covered by Article 1, and to include therein all provisions enacted for the purpose of carrying out the present Convention. Amendments and additions to these provisions shall be likewise published in annexes to subsequent quarterly returns.

ARTICLE 7

The High Contracting Parties, in all cases covered by Category III, undertake to publish within two months of the close of each quarter a return for that quarter, giving the information detailed below for each vessel of war constructed, in course of construction or to be constructed within their territorial jurisdiction on behalf of the Government of another State:

(a) The date of the signing of the contract for the construction of the vessel, the name of the Government for which the vessel is ordered, together with the following data:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

(b) The date of laying the keel, the name of the Government for which the vessel is being constructed, together with the following data:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

(c) The date of delivery, the name of the Government to which the vessel is delivered, together with the following data with respect to the vessel at that date:

Standard displacement in tons and metric tons;

The principal dimensions, namely: length at water-line, extreme beam at or below water-line, mean draft at standard displacement;

As well as the following information regarding the armament installed on board the vessel at the date of delivery and forming part of the vessel's normal armament:

Number and calibre of guns;

Number and calibre of torpedo-tubes;

Number of bomb-throwers;

Number of machine-guns.

The above information concerning the armament of the vessel shall be furnished by means of a statement signed by the shipbuilder and countersigned by the commanding officer or such other representative fully authorised for the purpose by the Government of the State to whom the vessel is delivered. Such statement shall be transmitted to the competent authority of the Government of the constructing country.

Whenever a vessel of war belonging to one of the High Contracting Parties is transferred, whether by gift, sale or other mode of transfer, to the Government of another State, the transferor undertakes to publish within two months of the close of the quarter within which the transfer is effected the following information:

The date of transfer, the name of the Government to whom the vessel has been transferred and the data and information referred to in paragraph (c) above.

By the standard displacement in the present Article is to be understood the displacement of the vessel complete, fully manned, engined and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed-water on board.

ARTICLE 8

Without prejudice to the provisions of Article 7, if the transport of any vessel of war is carried out otherwise than by such vessel's own motive power or towage, the vessel, whether assembled or in component parts, and the armament thereof will become subject also to the provisions of this Convention as if they were included in Category I.

ARTICLE 9

The High Contracting Parties undertake to publish, within six months of the close of each quarter, a return for that quarter of the export of aircraft and aircraft engines, giving quantities exported and their allocation according to country of destination.

ARTICLE 10

Subject to the provisions of Chapter III, the articles covered by Categories IV and V may be exported without formalities or restrictions.

ARTICLE 11

The High Contracting Parties undertake not to apply a more favourable regime to imports of articles referred to in Article 1 coming from territories of non-contracting States than that which they will apply to such imports coming from territories of contracting States, and to subject these imports, of whatever origin, to the same conditions of authorisation and, so far as possible, of publicity.

CHAPTER III. SPECIAL ZONES

ARTICLE 12

The High Contracting Parties agree that the provisions of this Chapter apply to the territorial and maritime zones hereinafter defined and referred to in the present Convention as the " special zones."

1. Land zone.

(a) The whole of the continent of Africa, with the exception of Egypt, Lybia, Tunisia, Algeria, the Spanish possessions in North Africa, Abyssinia, and of the Union of South Africa together with the territory under its mandate, and of Southern Rhodesia.

This zone also includes the adjacent islands which are situated within 100 marine miles from the coast thereof and also Prince's Island (Principe) in the Bight of Biafra, St. Thomas (São Thomé), Annobon and Socotra, but does not include the Spanish islands situated to the north of the parallel of 26° North latitude.

(b) The Arabian peninsula, Gwadar, Syria and Lebanon, Palestine and Transjordan, and Iraq.

2. Maritime zone.

A maritime zone, which includes the Red Sea, the Gulf of Aden, the Persian Gulf, and the Gulf of Oman and is bounded by a line drawn from and following the latitude of Cape Guardafui to the point of intersection with longitude 57° East of Greenwich and proceeding thence direct to the point at which the eastern frontier of Gwadar meets the sea.

ARTICLE 13

The High Contracting Parties undertake not to export or to permit articles covered by Categories I, II, IV and V to be exported to places within the special zones, unless a licence has been issued in conformity with the conditions defined in Article 14.

An export declaration, if filed with and approved by the competent authorities of the exporting country, may take the place of a licence.

The High Contracting Parties also undertake, each in respect of any territory under its sovereignty, jurisdiction, protection or tutelage situated within the special zones, not to permit articles covered by the Categories above mentioned to be imported into such territory unless their import has been authorised by the authorities of the territory concerned. Such articles shall only be admitted into territory within the special zones at such ports or other places as the authorities of the State, colony, protectorate or mandated territory concerned shall designate for this purpose.

ARTICLE 14

The High Contracting Parties undertake not to issue the export licences nor to approve the export declarations required under Article 13 unless they are satisfied that the conditions stated in paragraph (a) or (b) hereof are fulfilled and also, as regards articles covered by Categories I and II, the conditions laid down in Articles 2, 3, 4 and 5.

(a) That, if an export is being made to territory under the sovereignty, jurisdiction, protection or tutelage of a High Contracting Party, articles covered by Categories I, II and IV to which the licence or export declaration applies are required for lawful purposes and that the authorities of the territory to which they are consigned are willing to admit them; and that, in the case of articles covered by Category V, a copy of the license or export declaration has been set to the authorities aforesaid before the export takes place.

(b) That, if an export is being made to territory which is not under the sovereignty, jurisdiction, protection or tutelage of a High Contracting Party, articles covered by Categories I, II, IV and V are required for lawful purposes.

ARTICLE 15

The High Contracting Parties undertake to publish, in addition to the returns provided for in Article 6 and Article 9 in respect of articles covered by Categories I, II and IV, a return of articles covered by Category V exported to territory situated within the special zones. This return shall be published within the same time-limits and at the same intervals as those provided in the first paragraph of Article 6, and shall contain, as far as possible, the same particulars.

ARTICLE 16

The trade in articles covered by Categories I, II, IV and V within the special zones shall be placed under the supervision of officials of the authorities of the State, colony, protectorate or mandated territory concerned.

The admission and transit of and trade in such articles within the said zones shall also be subject to the provisions of Section I, §§ 1 and 2, of Annex II of the present Convention, to which provisions the High Contracting Parties undertake to conform.

An authorisation must be given by a duly authorised representative of the authorities aforesaid in each case before any such articles may be reconsigned to any place outside the territory to which they have been admitted.

ARTICLE 17

The manufacture, assembly and repair within the special zones of articles covered by Categories I, II, IV and V shall be subject to the provisions of Section I, § 3, of Annex II of the present Convention, to which provisions the High Contracting Parties undertake to conform.

ARTICLE 18

The High Contracting Parties undertake, each in respect of any territory under its sovereignty, jurisdiction, protection or tutelage situated within the special zones, not to permit the transit by land across such territory of articles covered by Categories I, II, IV and V when their destination is another territory also situated in the special zones, unless their transport to their destination is assured and the authorities of the latter territory have authorized their import.

The prohibition referred to in the above paragraph shall not apply to the transit of such articles through a territory situated in the special zones when their destination is territory of one of the High Contracting Parties not included in the said zones, provided that their transport to their destination is assured.

If, for the purposes of transport to a territory situated within the special zones, it is necessary to pass through a contiguous territory likewise situated within the said zones, the transit shall be permitted, subject always to the conditions laid down in the first paragraph hereof, at the request of the authorities of the importing territory, provided that such authorities guarantee that the articles in respect of which the request is made shall not at any time be sold, or otherwise transferred, contrary to the provisions of the present Convention. Nevertheless, if the attitude or the disturbed condition of the importing State constitutes a threat to peace or public order, permission for transit shall be refused to such State by the authorities of all such contiguous territories until this threat has ceased to exist.

ARTICLE 19

Subject to any contrary provisions in existing special agreements or in any future agreements, provided that in all cases such agreements otherwise comply with the provisions of the present Convention, the High Contracting Parties agree that in the special zones the authorities of the State, colony, protectorate or mandated territory concerned shall carry out within their territorial waters the supervision and police measures necessary for the application of the present Convention.

ARTICLE 20

The High Contracting Parties agree that within the special zones no native vessel, as hereinafter defined, of less than 500 tons (net tonnage) shall be allowed to ship, discharge of tranship articles covered by Categories I, II, IV and V.

A vessel shall be deemed to be a native vessel if she is either owned, fitted out or commanded by a native of any country bordering on the Indian Ocean west of the meridian of 95° east of Greenwich and north of the parallel of 11° south latitude, the Red Sea, the Persian Gulf, or the Gulf of Oman, or if at least one-half of the crew are natives of such countries.

The provisions of paragraph 1 hereof do not apply to lighters or barges or to vessels engaged exclusively in the coasting trade between different ports of the same State, colony, protectorate or mandated territory where warehouses are situated. The conditions under which articles covered by Categories I, II, IV and V may be carried by such vessels are laid down in § 1 of Section II, of Annex II of the present Convention, to which the High Contracting Parties undertake to conform.

The provisions of this Article and of Section II, § 1, of Annex II do not apply:

(a) To arms, ammunition or implements carried on behalf of a Government either under an authorisation or accompanied by a duty authorised official of such Government; or

(b) To arms and ammunition in the possession of persons provided with a licence to carry arms on the condition that such arms are for the personal use of the bearer and are accurately described in such licence.

ARTICLE 21

The High Contracting Parties agree that, with the object of preventing all illicit conveyance within the special zones of articles covered by Categories I, II, IV and V, all native vessels within the meaning of Article 20 must carry a manifest of their cargo or a similar document specifying the quantities and nature of the goods on board, their origin and destination. This manifest shall remain covered by the secrecy to which it is entitled by the law of the State to which the vessel belongs, and must not be examined during proceedings for the verification of the flag, unless the interested party consents thereto.

The provisions of this Article shall not apply to:

(a) Vessels exclusively engaged in the coasting trade between different ports of the same State, colony, protectorate or mandated territory; or

(b) Vessels engaged in carrying arms, ammunition and implements on behalf of a Government under the conditions defined in Article 20 (a) and proceeding to or from any point within the said zones; or

(c) Vessels only partially decked, having a maximum crew of ten men, and exclusively employed in fishing within territorial waters.

ARTICLE 22

The High Contracting Parties agree that no authorisation to fly the flag of any of such High Contracting Parties shall be granted to native vessels of less than 500 tons (net tonnage) as defined in Article 20, except in accordance with the conditions prescribed in Section II, §§ 3 and 4, of Annex II of the present Convention. Such authorisation, which shall be in writing, shall be renewed every year and shall contain the particulars necessary to identify the vessel, the name, tonnage, type of rigging, principal dimensions, registered number and signal letters if any. It shall bear the date on which it was granted and the status of the official who granted it.

ARTICLE 23

The High Contracting Parties agree to communicate to any other High Contracting Party who so requests the forms of the documents to be issued by them under Articles 20 (a), 21 and 22 and Section II, § 1, of Annex II of the present Convention.

The High Contracting Parties further agree to take all necessary measures to ensure that the following documents shall be supplied as soon as possible to any other High Contracting Party who has requested the same:

(a) Certified copies of all authorisations to fly the flag granted under the provisions of Article 22;

(b) Notice of the withdrawal of such authorisations;

(c) Copies of authorisations issued under Section II, § 1, of Annex II.

ARTICLE 24

The High Contracting Parties agree to apply in the maritime zone the regulations laid down in Annex II, Section II, § 5, of the present Convention.

ARTICLE 25

The High Contracting Parties agree that any illicit conveyance or attempted conveyance legally established against the captain or owner of a vessel authorised to fly the flag of one of the High Contracting Parties, or holding the licence provided for in Section II, § 1, of Annex II, of the present Convention, shall entail the immediate withdrawal of the said authorisation or licence.

ARTICLE 26

The High Contracting Parties who have under their sovereignty, jurisdiction, protection or tutelage territory situated within the special zones, undertake, so far as each is concerned, to take the necessary measures to ensure the application of the present Convention and, in particular, the prosecution and punishment of offences against the provisions thereof, and to appoint the territorial and consular officers or competent special representatives for the purpose.

They will communicate these measures to such High Contracting Parties as shall have expressed the desire to be informed thereof.

ARTICLE 27

The High Contracting Parties agree that the provisions of Articles 16 to 26 inclusive and of Annex II of the present Convention establishing a certain regime of supervision in the special zones shall not be interpreted, as regards such High Contracting Parties as have no territory under their sovereignty, jurisdiction, protection or tutelage within or immediately adjacent to the said special zones, either as constituting an obligation to apply the regime defined in the above-mentioned provisions or as involving their responsibility with respect to the application of this regime.

However, the said High Contracting Parties shall conform to the provisions of Articles 22, 23 and 25, which relate to the conditions under which native vessels under 500 tons (net tonnage) may be authorised to fly the flag of such High Contracting Parties.

CHAPTER IV. SPECIAL PROVISIONS

ARTICLE 28

Abyssinia, desirous of rendering as effective as possible the supervision of the trade in arms and ammunition and in implements of war, which is the subject of the present Convention, hereby undertakes, in the free exercise of her sovereign rights, to put into force, so far as concerns her own territory, all regulations which may be necessary to fulfil the provisions of Articles 12 to 18 inclusive of the said Convention relating to exports, imports and the transport of arms, ammunition and implements of war.

The High Contracting Parties take note of the above undertaking, and, being in full sympathy with the desire of Abyssinia to render as effective as possible the supervision of the trade in arms and ammunition and in implements of war, hereby undertake to conform to the provisions of the above-mentioned Articles so far as concerns Abyssinian territory, and to respect the regulations put into force, in accordance with the said undertaking, by Abyssinia as a sovereign State.

If a State, at present included in the special zones, should at the moment of its accession to the present Convention assume with respect to its own territory the same undertakings as those set forth in the first paragraph of this Article, and also, when such State possesses a sea coast, those contained in Articles 19 to 26 inclusive in so far as the same are applicable, the High Contracting Parties hereby declare that they will consider such State as excluded from the said zones from the date that its accession becomes effective as specified in Article 41 and that they will accept as regards such State the obligations set forth in the second paragraph of the present Article, and also, when the State excluded possesses a sea coast, the obligations of Articles 19 to 27 inclusive in so far as they are applicable.

ARTICLE 29

The High Contracting Parties agree to accept reservations which may be made by Esthonia, Finland, Latvia, Poland and Roumania at the moment of their signature of the present Convention and which shall suspend in respect of these States, until the accession of Russia to the present Convention, the application of Articles 6 and 9, as regards both export to and import into these countries by the High Contracting Parties. These reservations shall not be interpreted as preventing the publication of statistics in accordance with the laws and regulations in effect within the territory of any High Contracting Party.

ARTICLE 30

The High Contracting Parties who possess extra-territorial jurisdiction in the territory of another State party to the present Convention undertake in cases where the rules of this Convention cannot be enforced by the local courts as regards their nationals in such territory to prohibit all action by such nationals contrary to the provisions of the present Convention.

CHAPTER V. GENERAL PROVISIONS

ARTICLE 31

The provisions of the present Convention are completed by those of Annexes I and II, which have the same value and shall enter into force at the same time as the Convention itself.

ARTICLE 32

The High Contracting Parties agree that the provisions of the present Convention do not apply:

(a) To arms or ammuntion or to implements of war forwarded from territory under the sovereignty, jurisdiction, protection or tutelage of a High Contracting Party for the use of the armed forces of such High Contracting Party, wherever situated, nor

(b) To arms or ammunition carried by individual members of such forces or by other persons in the service of a High Contracting Party and required by them by reason of their calling, nor

(c) To rifles, muskets, carbines and the necessary ammunition therefor, carried by members of rifle clubs for the sole purpose of individual use in international competitions in marksmanship.

ARTICLE 33

In time of war, and without prejudice to the rules of neutrality, the provisions of Chapter II shall be suspended from operation until the restoration of peace so far as concerns any consignment of arms or ammunition or of implements of war to or on behalf of a belligerent.

ARTICLE 34

All the provisions of general international Conventions anterior to the date of the present Convention, such as the Convention for the Control of the Trade in Arms and Ammunition and the Protocol signed at St. Germain-en-Laye on September 10th, 1919, shall be considered as abrogated insofar as they relate to the matters dealt with in the present Convention and are binding between the Powers which are Parties to the present Convention.

The present Convention shall not be deemed to affect any rights and obligations which may arise out of the provisions either of the Covenant of the League of Nations or of the Treaties of Peace signed in 1919 and 1920 at Versailles, Neuilly, St. Germain and Trianon, or of the Treaty Limiting Naval Armaments signed at Washington on February 6th, 1922, or of any other treaty, convention, agreement or engagement concerning prohibition of import, export or transit of arms or ammunition or of implements of war; nor, without prejudice to the provisions of the present Convention itself, shall it affect any other treaty, convention, agreement or engagement other than those referred to in paragraph 1 of the present Article having as its object the supervision of import, export or transit of arms or ammunition or of implements of war.

ARTICLE 35

The High Contracting Parties agree that disputes arising between them relating to the interpretation or application of this Convention shall, if they cannot be settled by direct negotiation, be referred for decision to the Permanent Court of International Justice. In case either or both of the States to such a dispute should not be parties to the Protocol of December 16th, 1920, relating to the Permanent Court of International Justice, the dispute shall be referred, at the choice of the Parties and in accordance with the constitutional procedure of each State, either to the Permanent Court of International Justice or to a court of arbitration constituted in accordance with the Hague Convention of October 18th, 1907, or to some other court of arbitration.

ARTICLE 36

Any High Contracting Party may declare that its signature or ratification or accession does not, as regards the application of the provisions of Chapter II and of Articles 13, 14 and 15 of the present Convention, bind either all or any one of the territories subject to its sovereignty, jurisdiction or protection, provided that such territories are not situated in the special zones as defined in Article 12.

Any High Contracting Party which has made such a declaration may, subsequently, and in conformity with the provisions of Article 37, adhere entirely to the present Convention for any territories so excluded. Such High Contracting Party will use its best endeavours to ensure as soon as possible the accession of any territories so excluded.

Any High Contracting Party may also, as regards the application of the provisions of Chapter II and of Articles 13, 14 and 15 of the present Convention, and in conformity with the procedure laid down in Article 38, denounce the present Convention separately in respect of any territory referred to above.

Any High Contracting Party which shall have availed itself of the option of exclusion or of denunciation provided for in the preceding paragraphs undertakes to apply the provisions of Chapter II to consignments destined for territories in respect of which the option has been exercised.

ARTICLE 37

The High Contracting Parties will use their best endeavours to secure the accession to the present Convention of other States.

Each accession will be notified to the Government of the French Republic and by the latter to all the signatory or acceding States.

The instruments of accession shall remain deposited in the archives of the Government of the French Republic.

ARTICLE 38

The present Convention may be denounced by any High Contracting Party thereto after the expiration of four years from the date when it came into force in respect of that Party. Denunciation shall be effected by notification in writing addressed to the Government of the French Republic, which will forthwith transmit copies of such notification to the other Contracting Parties, informing them of the date on which it was received.

A denunciation shall take effect one year after the date of the receipt of the notification thereof by the Government of the French Republic and shall operate only in respect of the notifying State.

In case a denunciation has the effect of reducing the number of States parties to the Convention below fourteen, any of the remaining High Contracting Parties may also, within a period of one year from the date of such denunciation, denounce the Convention without waiting for the expiration of the period of four years mentioned above and may require that its denunciation shall take effect at the same date as the first-mentioned denunciation.

ARTICLE 39

The High Contracting Parties agree that, at the conclusion of a period of three years from the coming into force of the present Convention under the terms of Article 41, this Convention shall be subject to revision upon the request of one-third of the said High Contracting Parties addressed to the Government of the French Republic.

ARTICLE 40

The present Convention, of which the French and English texts are both authentic, is subject to ratification. It shall bear to-day's date.

Each Power shall address its ratification to the Government of the French Republic, which will at once notify the deposit of ratification to each of the other signatory Powers.

The instruments of ratification will remain deposited in the archives of the Government of the French Republic.

ARTICLE 41

A first proces-verbal of the deposit of ratifications will be drawn up by the Government of the French Republic as soon as the present Convention shall have been ratified by fourteen Powers.

The Convention shall come into force four months after the date of the notification of this procès-verbal by the Government of the French Republic to all signatory Powers.

Subsequently, the Convention will come into force in respect of each High Contracting Party four months after the date on which its ratification or accession shall have been notified by the Government of the French Republic to all signatory or acceding States.

In witness whereof, the above-mentioned Plenipotentiaries have signed the present Convention.

Done at Geneva, in a single copy, this seventeenth day of June, One Thousand Nine Hundred and Twenty-Five.

For Germany

H. VON ECKARDT

For the United States of America

THEODORE E. BURTON
HUGH S. GIBSON

For Austria

E. PFLÜGL

For Belgium

——— ———

For Brazil

Contre-Amiral A. C. DE SOUZA E SILVA
Major ESTEVAO LEITÃO DE CARVALHO.

Brazil reserves the right, during the whole period of application of the present Convention, to execute it, in so far as she is concerned, in accordance with the spirit of the clauses which aim at rendering the supervision general both as regards the trade in and the manufacture of armaments.

For the British Empire

I declare that my signature does not bind India or any British Dominion which is a separate Member of the League of Nations and does not separately sign or adhere to the Convention.

ONSLOW

For Canada

——— ———

For the Irish Free State

——— ———

For India

P. Z. COX

For Bulgaria

——— ———

For Chile

Général de Division LUIS CABRERA

For China

——— ———

For Colombia

——— ———

For Denmark

——— ———

For Egypt

——— ———

For Spain

EMILIO DE PALACIOS

For Esthonia

Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Esthonia by Article 29.

J. LAIDONER

For Abyssinia

GUÉTATCHOU
BLATA HEROUY HEROUY
A. TASFAE

For Finland

Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Finland by Article 29.

O. ENCKELL

For France

B. CLAUZEL

For Greece

——— ———

For Hungary

DR. BARANYAI ZOLTÁN

For Italy

PIETRO CHIMIENTI
ALBERTO DE MARINIS-STENDARDO

For Japan

M. MATSUDA

For Latvia

Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Latvia by Article 29.

Colonel HARTMANIS

For Lithuania

——— ———

For Luxemburg

CH. G. VERMAIRE

For Nicaragua

——— ———

For Norway

——— ———

For Panama

——— ———

For the Netherlands

——— ———

For Persia

——— ———

For Poland

Subject to the suspension of the application of Articles 6 and 9 in virtue of the right accorded to Poland by Article 29.

Général CASIMIR SOSNKOWSKI
G. D. MORAWSKI

For Portugal

——— ———

For Roumania

Ad referendum subject to the reservation provided for in Article 29 of the Convention to the effect that the application of Articles 6 and 9 as regards both export to and import into Roumania by the High Contracting Parties shall be suspended until the adhesion of Russia to the present Convention and to its Annexes.

N. P. COMNENE
Général T. DUMITRESCU

For Salvador

J. GUSTAVO GUERRERO

For Siam

——— ———

For Sweden

——— ———

For Switzerland

——— ———

For the Kingdom of the Serbs, Croats and Slovenes

J. DOUTCHITCH
Général KALAFATOVITCH
Capt. d. frég. MARIASEVITCH

For Czechoslovakia

DR. VEVERKA, FERDINAND

For Turkey

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For Uruguay

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For Venezuela

——— ———

ANNEX I.

STATISTICAL FORMS.

FORM I

Imports [1] into______________(name of importing country) during the_________________________quarter of 19__

Description [2] of arms and ammunition and implements of war according to the headings in attached schedule	Countries of origin							Total		
	A [3]				Z [3]					
	No. of articles	Weight	Declared value [4]		No. of articles	Weight	Declared value [4]	No. of articles	Weight	Declared value [4]
Totals________										

EXPLANATORY NOTES

[1] The imports included in this table shall be the general imports of arms and ammunition and of implements of war set out in the attached schedule, arriving from abroad, i. e., the total of the goods imported for home consumption, into warehouse, free zones, free ports, and all other places excluded from the Custom-territory, also temporary imports, improvement trade, etc., but excluding goods for transit or transshipment.

When temporary warehousing pending transit or transshipment is permitted, arms and ammunition and implements of war arriving under these conditions shall not be considered as imports, provided that the consignments are accompanied by a license or similar document mentioned in Article 4 of the present Convention showing some other country as destination.

[2] Arms and ammunition and implements of war covered by Category I shall be tabled separately from those in Category II.

[3] Name of country which issued the licence or similar document mentioned in Article 4 of the present Convention. But when the goods come from a Colony or Dependency, not issuing licences in its own name, but having an autonomous Customs system, such colony or dependency shall be shown as the country of origin.

[4] In legal currency of the importing country. In cases where the values are the result of conversion on a gold standard basis, this fact should be expressly mentioned in the heading of this column. In all cases the value shall be shown, except in the case of samples referred to in Article 3, paragraph 3, of the Convention when it is not obligatory.

FORM II.

Exports and Re-exports [1] from_________________(name of exporting country) during the _________________ quarter of 19____.

Description [2] of arms and ammunition and implements of war according to the headings in attached schedule	Countries of Destination							Total		
	A [3]				Z [3]					
	No. of articles	Weight	Declared value [4]		No. of articles	Weight	Declared value [4]	No. of articles	Weight	Declared value [4]
Totals________										

EXPLANATORY NOTES

[1] The exports and re-exports included in this table shall be the general exports and re-exports of arms and ammunition and implements of war set out in the attached schedule leaving for abroad, i.e., the total of the goods exported and re-exported from the internal market from warehouse, free zones, free ports, and all other places excluded from the Customs territory, also temporary exports and re-exports, improvement trade, etc., but excluding goods for transit or transshipment.

When temporary warehousing pending transit or transshipment is permitted. the arms and ammunition and implements of war arriving under these conditions shall not be considered as imports provided that the consignments are accompanied by a license or similar document mentioned in Article 4 of the present Convention showing some other country as destination.

[2] Arms and ammunition and implements of war covered by Category I shall be tabled separately from those in Category II.

[3] Country in whose favour the license or similar document mentioned in Article 4 of the present Convention has been issued. In the case of an application by a mother-country on behalf of a Colony or Dependency having an autonomous Customs regime, such Colony or Dependency should be shown as country of destination.

[4] In legal currency of the exporting country. In cases where the values are the result of conversion on a gold standard basis, this fact should be expressly mentioned in the title of this column. In all cases value shall be shown, except in the case of samples referred to in Article 3, paragraph 3, of the Convention when it is not obligatory.

SCHEDULE

CATEGORY I. ARMS, AMMUNITION AND IMPLEMENTS OF WAR EXCLUSIVELY DESIGNED AND INTENDED FOR LAND, SEA OR AERIAL WARFARE

Arms and ammunition and implements exclusively designed and intended for land, sea or aerial warfare, which are, or shall be, comprised in the armament of the armed forces of any State, or which, if they have been, are no longer comprised in such armament but are capable of military to the exclusion of any other use, except such arms, ammunition and implements which, though included in the above definition, are covered in other categories.

Such arms, ammunition and implements are comprised in the following twelve headings:

1. Rifles, muskets, carbines (number).

2. (a) Machine-guns, automatic rifles and machine-pistols of all calibres (number);

(b) Mountings for machine-guns (number);

(c) Interrupter gears (number).

3. Projectiles and ammunition for the arms enumerated in Nos. 1 and 2 above (number).

4. Gun-sighting apparatus including aerial gun-sights and bomb-sights, and fire-control apparatus (number).

5. (a) Cannon, long or short, and howitzers, of a calibre less than 5.9 inches (15 cm.) (number);

(b) Cannon, long or short, and howitzers, of a calibre of 5.9 inches (15 cm.) or above (number);

(c) Mortars of all kinds (number);

(d) Gun carriages (number), mountings (number), recuperators (number), accessories for mountings (weight).

6. Projectiles and ammunition for the arms enumerated in No. 5 above (number).

7. Apparatus for the discharge of bombs, torpedoes, depth charges and other kinds of projectiles (number).

8. (a) Grenades (number);

(b) Bombs (number);

(c) Land mines, submarine mines, fixed or floating, depth charges (number);

(d) Torpedoes (number).

9. Appliances for use with the above arms and apparatus (number).

10. Bayonets (number).

11. Tanks and armoured cars (number).

12. Arms and ammunition not specified in the above enumeration (number or weight).

Component parts, completely finished, of the articles covered by the above headings, if capable of being utilized only in the assembly or repair of the said articles, or as spare parts, should be entered separately, by weight, under each of the above headings or subheadings to which they belong.

CATEGORY II. ARMS AND AMMUNITION CAPABLE OF USE BOTH FOR MILITARY AND OTHER PURPOSES

1. Pistols and revolvers, automatic or self-loading, and developments of the same, designed for single-handed use or fired from the shoulder, of a calibre greater than 6.5 mm. and length of barrel greater than 10 cm. (number).

2. Fire-arms designed, intended or adapted for non-military purposes, such as sport or personal defence, that will fire cartridges that can be fired from fire-arms in Category I. Other rifled fire-arms, firing from the shoulder of a calibre of 6 mm. or above not included in Category I, with the exception of rifled fire-arms with a "break-down" action (number).

3. Ammunition for the arms enumerated in the above two headings, with the exception of ammunition covered by Category I (number).

4. Swords and lances (number).

Component parts, completely finished, of the articles covered by the above headings, if capable of being utilised only in the assembly or repair of the said articles, or as spare parts, should be entered separately, by weight, under each of the above headings or sub-headings to which they belong.

ANNEX II

SUPERVISION WITHIN THE SPECIAL ZONES

Section 1. Supervision on Land

§ 1

All articles covered by Categories I, II, IV and V admitted into the territory of a State, colony, protectorate or mandated territory situated in the special zones, except such articles imported by individuals for their personal use under an authorisation issued by the authorities of the territory concerned, shall be deposited by the importer at his own expense and risk in a public warehouse maintained under the exclusive custody and permanent supervision of the authorities aforesaid or their officials, of whom at least one must be a member of their armed forces, and who shall keep an official record of such deposit.

Every withdrawal from a public warehouse must be authorised beforehand by such authorities. No such authorisation shall be given except for the purposes of transfer to another public warehouse or to a private warehouse duly approved by the said authorities or for delivery to individuals who have proved to the satisfaction of the said authorities that the articles are necessary to them for their personal use.

Articles required for the equipment of the national forces or for the defence of the territory are exempted from all formalities in connection with deposit in or withdrawal from a public warehouse.

§ 2

No private warehouse for articles covered by Categories I, II, IV and V shall be allowed within the special zones unless authorised by the authorities of the State, colony, protectorate or mandated territory. Such warehouse must consist of enclosed premises, reserved for that purpose and having only one entry, which must be fitted with two locks, one of which can be opened only by officials of the authorities.

The person in charge of the warehouse shall be responsible for all such articles deposited therein and must account for them on demand by the authorities.

Such articles must not be withdrawn from the warehouse nor be transported or transferred without a special authorisation. The particulars entered on such authorisations shall be noted in a special register numbered and initialled.

Every arm imported under the provisions of § 1 by an individual for his personal use or transferred under the provisions of the same § from a public warehouse to a private warehouse or a private individual must be registered. A mark shall be stamped thereon if it does not already bear another mark or a number sufficient for identification. The mark or number shall be noted in the licence to carry arms issued by the authorities.

§ 3

The manufacture or assembly within the special zones of articles covered by Categories I, II, IV and V is prohibited otherwise than in establishments instituted for the defence of the territory or maintenance of public order by the authorities of the territory concerned, or in the case of mandated territory by such authorities under the supervision of the mandatory Power.

The repair of such articles shall only be carried out in establishments instituted by the authorities or in private establishments which shall have been authorised for this purpose by the said authorities. Such authorisation shall not be granted without guarantees for the observance of the rules of the present Convention.

Section II. Maritime supervision

§ 1

Cargoes of articles covered by Categories I, II, IV and V shipped on board the lighters, barges or coasting vessels referred to in Article 20, paragraph 3, must be covered by a special licence issued by the authorities of the State, colony, protectorate or mandated territory in which such cargoes are shipped, and containing the particulars specified in § 2 hereof. All articles so shipped shall in addition be subject to the provisions of the present Convention.

§ 2

Special licences referred to in § 1 of Section II of the present Annex shall contain the following particulars:

(a) A statement of the nature and quantity of the articles in respect of which the licence is issued.

(b) The name of the vessel on which the cargoes are to be shipped.

(c) The name of the ultimate consignee.

(d) The ports of loading and discharge.

It shall be certified on such licences that they have been issued in conformity with the provisions of the present Convention.

§ 3

An authorisation to fly the flag of a High Contracting Party may only be granted by the authorities mentioned in paragraph (b) below, and subject to the three following conditions:

(a) The owners must be nationals of the Power whose flag they claim to fly or companies who are nationals under the laws of that Power.

(b) The owners must have furnished proof that they are bona fide owners of real estate in the territory of the authorities to whom the application for a license is addressed, or have given to such authorities sufficient guarantees for the payment of any fines to which they may become liable.

(c) The owners and the captain of the vessel must have furnished proof that they enjoy a good reputation and, in particular, that they have never been convicted of illicit conveyance of arms or ammunition or implements of war.

§ 4

All native vessels before they are authorized to fly the flag of a High Contracting Party shall have complied with the following regulations for the purpose of their identification at sea:

(*a*) The initial letters of the port of registration of the native vessel, followed by the vessel's registration number in the serial port numbers, must be incised and painted in white on black ground on both quarters of each vessel in such a position as to be easily distinguishable from a distance.

(*b*) The net tonnage of the native vessel shall also, if practicable, be incised and painted inside the hull in a conspicuous position.

§ 5

The regulations referred to in Article 24 of the present Convention are as follows:

1. When a warship belonging to one of the High Contracting Parties encounters within the maritime zone but outside territorial waters a presumed native vessel of under 500 tons burden (net tonnage),

(*a*) Flying the flag of one of the High Contracting Parties, or

(b) Flying no flag,
and the Commanding Officer of the warship has good reason to believe that the said vessel is flying the flag of any High Contracting Party without being entitled to do so, or is illicitly conveying articles covered by Categories I, II, IV and V, he may proceed to stop the vessel in order to verify the nationality of the vessel by examining the document authorising the flying of the flag, but no other document.

2. Any vessel which presents the appearance of native build and rig may be presumed to be a native vessel.

3. For the purpose of verifying the nationality of the suspected vessel, a boat commanded by a commissioned officer in uniform may be sent to visit the vessel after she has been hailed so as to give notice of such intention. The officer sent on board the vessel shall act with all possible consideration and moderation. Before leaving the vessel, the officer shall draw up a proces-verbal in the form and language in use in his own country. This proces-verbal shall state the facts of the case and shall be dated and signed by the officer.

Should there be on board the warship no commissioned officer other than the Commanding Officer, the above prescribed operations may be carried out by a warrant, petty or non-commissioned officer at the discretion of the Commanding Officer.

The captain or master of the vessel visited, as well as the witnesses, shall be invited to sign the proces-verbal and shall have the right to add to it any explanations which they may consider expedient.

4. In the cases referred to in paragraph 1 (a) hereof, unless the right to fly the flag can be established, the vessel may be conducted to the nearest port in the maritime zone where there is a competent authority of the Power whose flag has been flown and shall be handed over to such authority, but if such a port should be at such a distance from the point of detention that the warship would have to leave her station or patrol to escort the detained vessel thereto, the vessel may be taken to the nearest port where there is a competent authority of one of the High Contracting Parties of nationality other than that of the warship and handed over to such authority, and steps shall at once be taken to notify this fact to the competent authority representing the power concerned.

No proceeding shall be taken against the vessel or her crew until the arrival of the representative of the Power whose flag the vessel was flying or without authority from such representative.

Instead of conducting the suspected vessel to a port as laid down above, the Commanding Officer of the detaining warship may hand her over to a warship of the nation whose flag she has flown if the latter consents to take charge of her.

5. The procedure laid down in paragraph 4 may also be followed if, after the verification of the flag and in spite of the voluntary production of the manifest, the Commanding Officer of the warship continues to suspect the vessel of engaging in the illicit conveyance of articles covered by Categories I, II, IV and V.

6. In the cases referred to in paragraph 1 (b) hereof, if it is ascertained, as a result of the visit made on board the vessel that, whereas it flew no flag, it was also not entitled to fly the flag of a recognised State, the vessel may, unless the innocent nature of her cargo can be duly established to the satisfaction of the Commanding Officer of the warship, be conducted to the nearest point in the maritime zone where there is a competent authority of the Power to which the detaining warship belongs, and shall be handed over to such authority.

7. The authority before whom the suspected vessel has been brought shall institute a full enquiry in accordance with the laws and regulations of his country and in conformity with the procedure laid down in paragraph 8 below.

This enquiry shall be carried out in the presence of an officer of the detaining warship.

If, however, the presence of such officer is impracticable owing to the duties upon which the warship is engaged, an affidavit sworn by the Commanding Officer may in special cases be accepted by the authority holding the enquiry in place of the oral evidence of an officer of the warship.

8. (a) In the case of vessels referred to in paragraph 1 (a) above, if it is proved at this enquiry that the flag has been illegally flown, but that the vessel is entitled to fly the flag of a recognised State, she shall, if that State is one of the High Contracting Parties, be handed over to the nearest authority of that State. If such State is not a High Contracting Party, the vessel shall be disposed of by agreement between the State responsible for her detention and the State whose flag she is entitled to fly, and, pending such agreement, shall remain in the custody of the authorities of the nationality of the detaining warship.

(b) If it should be established that the use of the flag by the detained vessel was correct, but that the vessel was engaged in the illicit conveyance of articles covered by Categories I, II, IV and V, those responsible shall be brought before the courts of the State under whose flag the vessel sailed. The vessel herself and her cargo shall remain in charge of the authority conducting the enquiry. The illicit cargo may be destroyed in accordance with laws and regulations drawn up for the purpose.

(c) In the case of vessels referred to in paragraph 1 (b) above, if it be established that the vessel had the right to fly the flag of one of the High Contracting Parties but was engaged in the illicit conveyance of any of the articles covered by Categories I, II, IV, and V, the procedure laid down in the preceding paragraph should be followed.

(d) In the case of vessels referred to in paragraph 1 (b) above, if it be established that the vessel was not entitled to fly the flag of any of the High Contracting Parties and was engaged in the illicit conveyance of any of the articles covered by Categories I, II, IV and V, the vessel and all cargo carried in addition to these articles shall be seized by such authorities and disposed of according to the national laws and regulations of the authorities before whom the vessel has been brought. The destruction of this cargo may be ordered according to the same laws and regulations.

(e) If the authority entrusted with the enquiry decides that the detention and diversion of the vessel or other measures imposed upon her were irregular, he shall assess the amount of the compensation which he considers to be due.

9. If the decision and assessment of the said authority are accepted by the detaining officer and the authorities to whom he is subject, the amount awarded shall be paid within six months from the date of the said assessment.

10. If the detaining officer, or the authorities to whom he is subject, contest the decision or the amount of the compensation assessed, the dispute shall be submitted to a Court of Arbitration consisting of one arbitrator appointed by the Government whose flag the vessel was flying, one appointed by the Government of the detaining officer, and an umpire chosen by the two arbitrators thus appointed. The two arbitrators shall be chosen, as far as possible, from among the Diplomatic, Consular or Judicial officers of the High Contracting Parties. These appointments must be made with the least possible delay. Any compensation awarded shall be paid to the persons concerned within six months at most from the date of the award of the court.

11. The Commanding Officer of a warship who may have stopped a vessel flying a foreign flag shall in all cases make a report thereon to his Government, stating the grounds on which he acted. An extract from this report, together with a copy of the proces-verbal, drawn up by the officer, warrant officer, petty or non-commissioned officer sent on board the vessel detained, shall be sent as soon as possible to the Government whose flag the detained vessel was flying and to such of the High Contracting Parties as may have expressed the desire to receive such documents.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ADAMS in the chair), as in executive session, laid before the Senate several messages from the President of the United States, submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. HARRISON. Mr. President, I ask that the clerk proceed with the readnig of the bill.

Mr. FESS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Kean	Reynolds
Ashurst	Cutting	Keyes	Robinson, Ark.
Austin	Davis	King	Robinson, Ind.
Bachman	Dickinson	Logan	Russell
Bailey	Dieterich	Lonergan	Schall
Bankhead	Dill	Long	Shipstead
Barkley	Duffy	McCarran	Smith
Black	Erickson	McGill	Steiwer
Bone	Fess	McKellar	Stephens
Borah	Fletcher	McNary	Thomas, Okla.
Brown	Frazier	Metcalf	Thomas, Utah
Bulkley	George	Murphy	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Carey	Hale	Nye	Van Nuys
Clark	Harrison	O'Mahoney	Wagner
Connally	Hastings	Overton	Walcott
Coolidge	Hatch	Patterson	Walsh
Copeland	Hayden	Pittman	Wheeler
Costigan	Johnson	Pope	White

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

FILING THE SWORD'S DULL SIDE

Mr. LONG. Mr. President, I am sorry there are not more of our Democrats here this afternoon. I have taken the pains to collect some of the promises made by the Democrats to the American people, and I am going to undertake to remind Democratic Senators of the promises that have been made up to the last few months. I do not want the Democrats to violate their word, which is still resting with the dew on it that has not yet disappeared. In other words, I should at least like to have a little more time pass before the Democrats break their word which they gave to the American people.

When the flexible-tariff provision was written into the law there were four Democrats in this body who were in favor of it. Two of them came from Louisiana. I led the fight and made it an issue in our State that both the Democrats from Louisiana who had voted for the flexible-tariff provision should be taken out of the United States Senate. I did it on the command of my party. I did it on the word of my party that the Democratic Senators from our State, who voted to take the taxing power out of the Congress and put it in the hands of the President of the United States, had violated their pledge and their oath to the American people and that they ought to be taken out of the United States Senate. Former Senator Ransdell and former Senator Broussard today are the victims of the decree of the Democrats who voted on this side of the Chamber that they were not fit on the basis of that principle to sit here and legislate for the people.

It was an issue in the State of Louisiana. Both those men who sat here were as honorable men, I suppose, as ever sat in the United States Senate, but they voted to take the taxing power, under the flexible provision of the tariff law, out of the hands of the Congress and put it into the hands of the President of the United States. Both those men were retired from the United States Senate because the Democratic Party was deserted in its hour when it was undertaking to serve the people along the lines of constitutional and valid congressional enactment.

I was asked in the campaign, when I ran against my illustrious predecessor in this body, whether or not I would stand for a tariff bill, if it protected sugar, regardless of what it might contain otherwise. I specifically answered to the people of my State that I would not countenance that kind of a measure even though it did protect sugar and other products of the State of Louisiana under a protective tariff.

Now we have come here after these two illustrious men have been defeated and removed from the United States Senate, and after the defeat of another of the four Democratic Senators who voted for that provision, after three out of the four have been retired from this body and after our party has gone on record on the question, to decide whether, instead of keeping the promise of the party to repeal what had already been enacted, we shall double the menace and make it a twofold wrong, instead of undoing what we promised the people we would undo.

Mr. President, I am going to read a few lines from the promises of the Democratic Party. It does not seem to me out of order that the words of some men should be read to them seriously. I do not understand the theory of government that a man's campaign promises mean nothing. I do not understand the theory of government by which a party's campaign promises mean nothing. I have said before on the floor of the Senate that a traitor in the Army is hanged, and I say now on the floor of the Senate that a party that is a traitor deserves a similar fate. Whether it is the Democratic Party or the Republican Party or any other party, when its word recently given is at cross purposes with what is now proposed to be done, I conceive it to be the duty of that party and of that party's organization to maintain its pledges given to the American people.

First, I am going to read from the Democratic platform of 1932. My friend the Senator from North Carolina [Mr. BAILEY], sitting near me at this moment, helped to write this platform. I helped to write it. Many others of us helped to write it. My colleague from Louisiana [Mr. OVERTON] was in the convention where the platform was adopted. I am going to read from that platform. It may not mean anything; but if we do not keep our platform pledges this time it may mean that the people will never trust the Democratic Party on another platform. I well recall the words of a former Senator from Iowa, who reminded the Republican Party in 1909 that if it broke its word, the promise which the Republican Party had given the people of the United States in the year 1908, it might mean disaster to that party. The words of Senator Dolliver rang through the country, and his prophecy was fulfilled.

Now we are here on the other side of the Chamber considering the matter which is now before the Senate, and I am going to read the even more specific words of our own party. Just before I read them let me say that I do not care how we may look upon the tariff. I am a tariff Democrat, but as a tariff Democrat I refused to sanction the bargaining away of the legislative power in the year 1930. I refused to do it in the year 1932, even though it did contain protection for the products of the State of Louisiana. I am arguing now that, even though there were no promise of the party, I could not stand for the bargaining and trading away of the power of Congress entrusted to its hands, and the placing of that power in other hands.

Let me read from our party platform the Democratic tariff plank of 1932, as follows:

> We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from Executive interference.

Free from Executive interference. We advocated a competitive tariff for revenue, with a fact-finding Tariff Commission free from interference by the President of the United States. Yet we come here now and propose not only to transgress that promise of the party, we come here and not only propose that the Commission shall not be free from Executive influence, but we propose to put full power into the hands of the President of the United States, when we have gone before the American people and said to them that this taxing authority should be free from the influence of the Executive.

Does somebody mean to tell me that we are purporting, topside or bottom, to keep the word of the party with the kind of iniquitous legislation that is now pending here?

I will read further. We are told that we are going to make reciprocal-tariff agreements. Why, this very thing was covered by this plank, Mr. President. We not only said that we favored a tariff free from Executive interference, but we said that we favored reciprocal-tariff agreements free from the same Executive interference. I will read the whole plank:

We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from Executive interference, reciprocal-tariff agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange.

How was that interpreted? It was interpreted by such men as the candidate for President of the United States on the Democratic Party platform. Let us see how he interpreted this matter, just in order that we may read some of the provisions.

Perhaps it would be better if I should first read the interpretation given by the gentleman put forward as our leading Democratic authority, the present Secretary of State, the gentleman through whose hands are to be made these reciprocal-tariff agreements. I will first read the interpretation, the promise, the pledge, the guaranty given to the people of the United States through its spokesman, now designated as the man who is to negotiate these reciprocal agreements. Let me read what was said by Mr. Cordell Hull on the 19th day of May 1932.

Does this mean anything, my friends? Listen as I read it to you. Here is the pledge of the Democratic Party, backed by its platform, backed by its record, backed by its declarations. I now read the words of the Secretary of State on May 19, 1932:

I am unalterably opposed to section 315 of the tariff act and demand its speedy repeal.

Section 315 is the provision of the law which allows the President of the United States to vary the tariffs fixed by Congress not to exceed 50 percent upon the fact being found by the Tariff Commission that the cost of producing those commodities in foreign countries shows that much difference from the cost of producing the same commodities in this country. In other words, section 315 does not to the remotest extent tend to give to the President of the United States any such extensive authority as the proposal now before the Senate; but said Mr. Hull:

I * * * demand its speedy repeal.

That is, he demanded the speedy repeal of such flimsy authority as then existed in comparison with what is now proposed.

Said Mr. Hull further:

I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision—

Imagine, my friends, Mr. Hull, who has since been appointed Secretary of State, standing before the American people speaking for the Democratic Party, condemning the Republican Party because it stood for the retention and the enhancement or the enlargement of the powers contained in the flexible tariff law, and yet after having told the American people that he demanded the repeal of that unconstitutional variety of Executive power, after having said that he condemned the party that undertook to retain it or that would undertake to expand it, he comes here now and asks the Democratic Party to break its word, given to the men and women and children of this country, and enlarge the very thing that he said should be repealed.

Let me read further from Mr. Hull:

I strongly condemn the proposed course of the Republican Party, which contemplates the enlargement and retention of this provision, with such additional authority to the President as would practically vest in him the supreme taxing power of the Nation, contrary to the plainest and most fundamental provisions of the Constitution—a vast and uncontrolled power, larger than had been surrendered by one great coordinate department of government to another since the British House of Commons wrenched the taxing power from an autocratic King.

We went before the American people and said that such a thing as is proposed here, or half the thing that is proposed here, was a greater power than the taxing power that was wrenched by the House of Commons from His Britannic Majesty. We said that instead of allowing this thing to be enlarged and expanded, we promised to restore a democratic government to the people, and to undo what had already been done; and yet the same man who said those things on our behalf now wants us to come in here and eat our words, and eat his words, and eat up the party platform, and throw the Constitution into the scrap-heap, and consign it to the demnition bowwows, so that no traveler will ever be able to recall it to memory, and not only give to the Executive and take away from Congress powers which were said to be twice as great as those which were wrenched by the House of Commons from the King of Great Britain, but confer upon the Executive powers which transcend and go beyond what was ever contemplated even by the Republican Party, or by the most monarchistic advocate that this country has ever seen in American politics.

Let me read a little bit further about the monstrosity that is attempted here. It is an outrage on this country. It is a perjury against truth. It is one of the most brazen efforts to perpetrate a fraud, contrary to what has been promised to the people of this country by a party that has been placed in office, that I have ever witnessed since I have been old enough to observe politics in this country. If I were faced today with such a declaration as I have read here, and I were faced today with undertaking not only to do what I had condemned but to double, treble, and quadruple such power, I would resign my seat in the Senate so quickly that the ink would not be dry on my resignation before I would walk out of this Chamber.

I can quit public life when I dishonor my promises in that way. It does not mean enough to me. Never has a public office meant so much to me that I would perjure the word that I gave to the American people before the snow had fallen in the following season. Never would I go before the American people with that kind of perjury in my teeth; and yet that is what we are doing. I should just like to see the color of the eyes of the man who would say that we are not doing it. I should just like to see one of the men I am quoting who would say that anything I am reading here is not his own words.

I will read a little bit further from the words of the Secretary of State:

The proposed enlargement and broad expansion of the provisions and functions of the flexible tariff law is astonishing—

Said Mr. Cordell Hull—

is undoubtedly unconstitutional, and is violative of the functions of the American Congress.

Bear in mind, Mr. President, I am not reading from something that was said away back yonder, at the time the flexible tariff bill was passed. I am reading from this man's words on the 19th day of May 1932, immediately preceding the time when he was called into the resolutions committee of the Democratic Party to draft a plank in keeping with these pronouncements, immediately following which, after a successful election, he was called into the office of Secretary of State, and sits there today. He says:

The proposed enlargement and broad expansion of the provisions and functions of the flexible-tariff clause is astonishing, is undoubtedly unconstitutional, and is violative of the functions of the American Congress. Not since the Commons wrenched from an English King the power and authority to control taxation has there been a transfer of taxing power back to the head of a government on a basis so broad and unlimited as is proposed in the pending bill. As has been said on a former occasion: "This is too much power for a bad man to have or for a good man to want."

I did not know yesterday that I was using the words of the illustrious Secretary of State of my party when I said that this was too much power for a good man to want; but I did say that there had been Presidents of the United States who had declined less power than this on the ground that it tended to destroy legislative government in this country and was a betrayal of the fundamental principles of the Constitution upon which this Government rested.

We had a few more words to the same effect along about that time or before that time. My distinguished colleague from the neighboring State of Mississippi [Mr. HARRISON], now serving in this body, gave utterance to his views on this question. He was not looked upon as being the great authority on the tariff that the present Secretary of State was heralded to be; but, nevertheless, by reason of seniority, he held the ranking position for the Democratic Party on the Committee on Finance, which had to do with measures affecting revenue and tariffs; so he said to himself, and then got up and said to the country one morning bright and early or late at night, or at some other time, something about like this, on May 29, 1930:

No doubt President Hoover is happy today. No wonder we read in the papers that he is going to make a week-end trip into Pennsylvania. His heart is light. He is joyous now. He was hungry for more authority. He will have it now under this flexible tariff provision.

It is all wrong—

"It is all wrong", said this distinguished absentee [laughter]—

It is all wrong that such an opportunity as resides in this flexible-tariff provision should be afforded to any President of the United States. That statement applies, of course, to a Democratic President.

That sounds as though the speaker meant what he said. Let me read the last clause again:

It is all wrong that such an opportunity as resides in this flexible-tariff provision should be affordede to any President of the United States.

This is Brother HARRISON, of Mississippi, talking.

That statement applies, of course, to a Democratic President.

Does it? On the contrary, instead of the Senator who said that standing up here on his hind feet today and saying that "it is all wrong", instead of saying that this thing is wrong for a Democrat just the same as it is wrong for a Republican, Senators stand up here in an effort to keep section 315, known as the "flexible-tariff provision", a part of the law just as it was then, and to add to it the right to negotiate reciprocal tariff agreements and to fix tariffs by treaty to last 3 years beyond the time when the present President of the United States goes out of office, whether Congress wants to repeal them or not.

There is one thing that can be said for the Republicans, with all that they can be accused of—and God knows I have accused them of everything I could think of. There is one thing we can say for them: They never did fix a tariff so that it could not be repealed by an act of Congress at any time Congress wanted to do it. As badly as they may have acted there never had been one of these reciprocal-tariff agreements made that was not subject to the law-making power of this country. It is proposed today that we empower the President of the United States to enter into irrevocable treaties, slicing the tariffs of this country down to such a point as he wishes—and I use the word "wishes" advisedly—and that it shall remain in force for a period of 3 years, if he wants to make it a period of 3 years.

There is supposed to be some limitation. I have been an executive myself, governor of my State. It is said here that the President must be satisfied that there is a condition existing which justifies him in taking the action. It was said, when I went into office, that I must decide that every man I ousted from the highway commission was not efficient and that I was removing him for the good of the service.

I therefore was ready to remove all three of the members of that commission the day I went in and put in their places some men who had voted for me. That is what that provision meant. That is what the provision had meant to every Governor who had served ahead of me. That is what the provision has meant to the Governor of every other State in the United States I ever heard about. That is what such a provision would mean to anybody holding an executive position.

Where is the particular provision here that is supposed to cause the President to find out something before he acts? I have not even taken time to read it. I have heard it read. It is wasting that much paper to put it here.

Mr. BAILEY. It is in the tenth line, on page 2, of the bill.

Mr. LONG. The tenth line, on page 2. This is a great saving to the country:

Whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified.

Whenever he finds as a fact, in his own mind, that the existing tariff schedules are a burden to foreign commerce, he has a right to change them; that is all. What that means is that whenever the President thinks he ought to change them he can change them. Whenever the President thinks he wants to change them, that is when he ought to change them. Whatever a man thinks he wants to do is whatever a man thinks he ought to do nine hundred and ninety-nine and nine-tenths times out of a thousand, and that is what it means in this particular case.

Why not write another provision? I ask some of my constitutional lawyer friends who are here, why not write another provision, that whenever the President finds that foreign commerce is being restrained, and that national peril threatens, the President of the United States is hereby authorized to declare war, and to appropriate the funds necessary to carry on that war?

If we have the right to say that it is within the ipse dixit of anyone, be he President, Vice President, or anyone else, to invoke the taxing power and make a treaty with another country, we can provide just as easily and just as well and just as validly that he has a right to invoke the war-making power, and appropriate money in the United States Treasury, in order to protect this foreign trade, and in order to protect this country from national peril. No one will contradict the statement that that would be just as constitutional as is the proposed legislation.

I must pause before reading from Franklin D. Roosevelt himself, and pay my respects to the courts of this country, as well as to Congress. I have paid my respects to the Congress, and to myself included, for some of its activities, but never again will I raise my hand and say that the courts are the bulwark of constitutional government in the United States. No longer should it ever be written in the schoolboy histories of this country that the judiciary stands as a bulwark and safeguard of constitutional government in this country.

So long as courts were courageous enough to stand up and raise their hands against the onslaughts made against constitutional government, so long as they exercised the courage needed in such times as the present and in other crises in order to keep a balanced government and a legislative government functioning, so long did the courts deserve all praise. But it has reached such a point that, sitting among my friends the other night, I heard one of them say what I was unable to contradict, that "Never has a court held unconstitutional any power granted by the Congress to the President of the United States." Said he, "Whenever the Congress has abdicated, somehow or other, the Court has always upheld the action."

I must agree with the Senator from Idaho about the pronouncements I have read from the Supreme Court of the United States and from some of the circuit courts of the United States. They have destroyed the confidence I had thought I could always repose in those courts, that never would they allow a republican form of government to be sacrificed to the exigencies of power. But apparently, if this body is not willing to maintain its own prerogatives, if we are not willing to sustain the constitutional bulwark which we thought to be necessary against the varied modern theories of fascism, and communism, and Nazi-ism, and various and sundry other fictitious and transitory rules, apparently the Supreme Court will get itself out of the way and let the onrush be complete.

All that is left on the flimsy little ledge upon which we stand, to maintain constitutional government at all, all that persists in the form of congressional action, to levy taxes, to declare war, to continue as a government and do anything that needs to be done, to pass any law that may be necessary, all that is left of legislative action must be exercised by the Senate. The House has abdicated already, and we have abdicated about as fast as they have. Little remains.

Let us get back to our words, meaningless words, these meaningless promises made to the American people. Here is a great party, of great men, great statesmen, great Senators, standing before the American people saying, "Oh, we promised that. Oh, we said that. Oh, yes; we denounced it as being a riotous proposition from start to finish." We traveled the road from Dan to Beersheba and promised the people one thing, and now it is proposed that we come back, not with a single-edged sword which the party opposed to us had adopted, which we condemned, but we propose to sharpen the sword on the other side and slash at the people with a double-edged sword.

They have taken this flexible tariff sword, section 315, which was imbedded in the laws of this country, and instead of having taken that sword and broken it off at the handle and stabbed it into the ground so that it never again might cut against the constitutional process, we have filed off the other side of the sword, and now they propose to run amuck among the institutions of this country and destroy them with a two-edged sword.

Let us read the words. We have a Vice President, thank God. He had something to say about it. I will get up to the President in just a moment, just to show that there is no difference about it. Vice President Garner said:

> I want you all to turn over in your minds and see what it means for Congress, representing the people of America, to surrender its rights to levy taxes. Remember this, gentlemen, when the legislative body surrenders its tariff powers and obligations to the Executive.

"Remember this", he said, "what peril threatens this country when Congress surrenders its legislative powers in fixing tariffs into the hands of an Executive." So spoke the Speaker of the House, our candidate for Vice President of the United States.

What saith he now? Ah, Mr. President, the voice is as stilled as though it were lying underneath a sign painted upon a nickel plate, "At rest." It has become as though it were encased in something from which no sound could be emitted.

"Remember this", said he to the American people when we were trying to make him Vice President of the United States, and did—"Remember this", said he, "Turn over in your minds and see what it means for Congress, representing the people of America, to surrender its rights to levy taxes." Remember this, Senators, when the legislative body surrenders its tariff powers and obligations to the Executive.

When the people of the United States heard those words, and heard the promises made in the campaign and heard the party platform read from one end of this country to the other, and placed in power the men from whose pens and whose lips fell those promises to keep legislative government in the hands of Congress, and to keep the power of taxation heretofore usurped by kings whose heads fell as the result thereof, out of the hands of the Executive of this country, the people believed in and had faith in what was promised, the American people had faith in the Democratic Party. But the promises were made apparently only to be broken. And then what will the American people say? They will say: "We ought to have had sense enough not to pay any attention to the promise of the Democratic candidate for Vice President; we ought to have had sense enough", they will say "not to pay attention to the Democratic platform of 1932; we ought to have had sense enough to pay no attention to that Democratic legislator who has been made Secretary of State; we ought to have had sense enough not to listen to"—whom?—"to the present President of the United States." And now I will read his words.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. STEIWER. Would it disturb the Senator if I asked him to hark back to the platform of the Democratic Party?

Mr. LONG. I have just read it.

Mr. STEIWER. It seems to me the Senator may be overlooking the fact that the President himself gave consideration to the platform. At the time he arrived at the Chicago convention, as I remember, he declared his adherence to that doctrine.

Mr. LONG. One hundred percent.

Mr. STEIWER. Will the Senator develop that fact?

Mr. LONG. Yes; I will.

Mr. STEIWER. It seems to me there is no declaration that a candidate could make which is more effectively a pledge to the people than asserting his allegiance to the party platform.

Mr. LONG. Oh, yes; we have something more important than that. Just before Mr. Roosevelt was nominated, we adopted this plank, and Mr. Roosevelt, as we all know, was nominated 2 days later, and arrived the next day and made a speech. When Mr. Roosevelt arrived at Chicago, among the first words which fell from his lips were, "I approve this platform 100 percent."

That platform read:

> We advocate a competitive tariff for revenue, with a fact-finding commission free from Executive interference—

And so forth. Subsequent thereto our candidate for President said, on September 30, 1932:

> What does the Democratic Party propose to do in the premises? The platform declares in favor of a competitive tariff which means one which will put the American producers on a market equality with their foreign competitors.

In other words, our platform had said that we would have a fact-finding commission free from Executive interference, and that fact-finding commission would determine the difference in cost of producing a commodity in England or Germany as compared with the cost of producing that commodity in America, and that thereupon a tariff would be levied sufficient to cover the difference in the cost of producing that commodity in a foreign land and in the United States, and our platform had said that that fact-finding commission should be free absolutely from Executive interference.

Said our President then:

> The platform declares in favor of a competitive tariff which means one which will put the American producers on a market equality with foreign competitors, one that equalizes the difference in the cost of production.

Listen to that. And now we have representatives of our party who come here and talk about going back on this pledge.

Mr. SCHALL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. SCHALL. Is there any part of that platform which has been carried out, to the Senator's recollection?

Mr. LONG. Yes; there is one part of it which has been carried out. In fact, there is more than one part of it which has been carried out. I will ask the Senator as to what he means by "carried out"? Does the Senator mean carried out in a barrel, or carried out in performance?

Mr. SCHALL. Carried out in operation.

Mr. LONG. The Senator will have to excuse me from answering that question now, because I am likely to be embarrassed in some campaign in the future if I answer such a question.

Mr. SCHALL. I have been unable to find a single part of the platform which it has even been attempted to carry out.

Mr. LONG. The Senator will have to excuse me from answering that question at this time. [Laughter.]

Our President said:

> The platform declares in favor of a competitive tariff, which means one which will put the American producers on a market equality with their foreign competitors—one that equalizes the difference in the cost of production—not a prohibitory tariff, back of which domestic producers may combine to practice extortion of the American public.
>
> But how is reduction to be accomplished? By international negotiation as the first and most desirable method, in view of present world conditions—by consenting to reduce to some extent some of our duties in order to secure a lowering of foreign walls that a larger measure of our surplus may be admitted abroad. * * *
>
> Next the Democrats proposed to accomplish the necessary reductions through the agency of the Tariff Commission.

In other words, said he, we will only accomplish a reciprocal agreement through a competitive tariff, through facts found by a commission showing the difference in the cost of producing that article in a foreign land and the cost of producing that article in this land. And no reciprocal tariff will be made except such as is strictly in accordance with the facts as found by this Tariff Commission, which shall operate entirely free from Executive interference.

That was the pledge of the party, I suppose. It had already been in the platform. But I am not yet through.

On November 4, 1932, 4 days before he was elected President of the United States, Mr. Franklin D. Roosevelt said this to the American people:

> I have sought during these months to emphasize a broad policy of construction, of national planning and of national building, constructed in harmony with the best traditions of the American system. I have concentrated of necessity upon the broad and immediately insistent problems of national scope. * * *
>
> At Sioux City, Iowa, I proposed a tariff policy aimed to restore international trade and international commerce not only with this Nation but between all nations of the world.

So again did the President reaffirm that we would have only a competitive tariff, and when the differences of the costs between the two countries are ascertained, that only then would he undertake to make an international agreement carrying that into effect.

On October 20, 1932, 18 days before the election of November 8, Mr. Roosevelt said:

> I have advocated a lowering of tariffs by negotiation with foreign countries. But I have not advocated, and I will never advocate, a tariff policy which will withdraw protection from American workers against those countries which employ cheap labor or who operate under a standard of living which is lower than that of our own great laboring groups.

Again was the President of the United States pledging himself that a fact-finding commission should find the difference in the cost of producing an article abroad and here, and would negotiate alone on that basis, and that the commission should be free from Executive interference in arriving at its findings.

On October 26, 1932—and now we are getting a little bit closer to home for me—Mr. Roosevelt made another statement. I will read the statement Mr. Roosevelt made on September 15, 1932, before I quote the statement of October 26. On September 15 he said:

> I seek to give to that portion of the crop consumed—

No; I desire to read what Mr. Roosevelt said before that date. I did not know that he had said this; I overlooked it entirely. I will go back to July 30, 1932. This is Mr. Roosevelt talking. I read it to show the Senate what this thing means which we are called on to do here. Mr. Roosevelt said:

> It is a difficult and highly technical matter to determine costs of production abroad and at home. A commission of experts can be trusted to find such facts. Then the facts should be left to speak for themselves, free from Presidential interference.

"Free from Presidential interference." Not only that he would not undertake to find them himself, but he said that to ascertain the difference in the cost in Europe compared with the cost in America is extremely difficult, and that he would not think of undertaking to find those costs himself. "They must be found", said Mr. Roosevelt, "by a fact-finding body free from Presidential interference."

Then, Mr. President, representatives of the Democratic Party come in here and dash those promises to the winds, as though the words were never uttered. We have the promises of the party in its platform, we have the promises of the President, promises made to the people, promises of the Democratic Membership of Congress, promises made that caused us to retire two Democratic Senators from the State of Louisiana for not going along with the party to uphold valid, constitutional, and legislative government, and after making those promises to the people and getting their votes they come here and say, "We are going to dash those promises to the demnition bowwows."

Mr. President, I understand several Senators have some matters they desire to present at this time, so I yield for the transaction of such business as they have to submit.

PURCHASE OF LAND AT RADIO STATION, GRAND ISLAND, NEBR.

Mr. THOMPSON. Mr. President, from the Committee on Interstate Commerce I report back favorably the bill (H.R. 9394) to authorize the Federal Radio Commission to purchase and enclose additional land at the radio station near Grand Island, Nebr., and I submit a report (No. 1058) thereon. The committee, having considered the bill, report it without amendment and recommend that the bill do pass. Accordingly I ask unanimous consent for its immediate consideration.

Mr. McNARY. Mr. President, what is the request of the Senator from Nebraska?

The PRESIDING OFFICER. The Chair understands the Senator desires immediate consideration of the bill.

Mr. HARRISON. What is the bill?

Mr. THOMPSON. It is a bill to authorize the Federal Radio Commission to purchase and enclose land at the radio station near Grand Island, Nebr.

Mr. McNARY. The Senator has a right to report the bill without any request. I shall object to its present consideration.

Mr. HARRISON. Am I to understand that the Senator from Nebraska merely desires to report the bill?

Mr. THOMPSON. No. I desire immediate consideration of the bill. It has passed the House. It is purely a local bill.

Mr. McNARY. Is it a House bill?

Mr. THOMPSON. It is a bill which originated in the House. It proposes to appropriate $1,200 for the purchase of some land at the Monitor station at Grand Island, Nebr. The bill has passed the House and has been considered by the Senate Committee on Interstate Commerce and I have just reported it favorably. I am asking unanimous consent for its immediate consideration. There is no objection to the bill so far as I know.

Mr. McNARY. I understand that it is a House bill which has just been reported by the Senator from Nebraska and that he is asking unanimous consent for its present consideration. What is the condition that justifies its immediate consideration?

Mr. THOMPSON. In order that the work which is to be done on the additional land may be proceeded with.

Mr. HARRISON. Mr. President, I hope the Senator will permit the passage of the bill.

Mr. LONG. It involves only $1,200, and is purely a local matter.

Mr. McNARY. Very well. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That the Federal Radio Commission is authorized to purchase an additional tract of land containing approximately 10 acres adjacent to that now owned by the United States at Grand Island, Nebr., and to enclose the same for use in connection with the constant-frequency monitoring station located at said place. There is hereby authorized to be appropriated the sum of $1,200 to carry out the purposes of this act.

LOAN OF TENTS, ETC., TO UNITED CONFEDERATE VETERANS

Mr. BACHMAN. Mr. President, from the Committee on Military Affairs I report back favorably without amendment House bill 9092, and I submit a report (No. 1059) thereon. I ask unanimous consent for the immediate consideration of the bill. It is a bill merely authorizing the Secretary of War to lend certain tents to the Confederate Veterans' Reunion to be held at Chattanooga on June 6.

Mr. McNARY. Mr. President, may I ask the Senator if this is the usual bill which we pass for this purpose?

Mr. BACHMAN. It is.

Mr. HARRISON. It is in the usual form, I may say to the Senator from Oregon.

Mr. McNARY. I have no objection.

There being no objection, the Senate proceeded to consider the bill (H.R. 9092) to authorize the Secretary of War to lend to the housing committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16- by 80-

by 40-foot assembly tents; thirty 11- by 50- by 15-foot hospital-ward tents; 10,000 blankets, olive drab, no. 4; 5,000 canvas cots; 20 field ranges, no. 1; 10 field bake ovens, to be used at the encampment of the United Confederate Veterans, to be held at Chattanooga, Tenn., in June 1934, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to lend, at his discretion, to the housing committee of the United Confederate Veterans, whose encampment is to be held at Chattanooga, Tenn., June 6, 7, and 8, 1934, 250 pyramidal tents, complete with all poles, pegs, and other equipment necessary for their erection; fifteen 16- by 80- by 40-foot assembly tents, complete with all their poles, pegs, and equipment necessary for their erection; thirty 11- by 50- by 15-foot hospital-ward tents, complete with all their poles, pegs, and equipment necessary for their erection; 20 field ranges, no. 1, with necessary equipment for their erection; 10 field bake ovens with necessary equipment for their erection; 10,000 blankets, olive drab, no. 4; 5.000 canvas cots; 10 officers' tents complete with all their poles, pegs, and equipment necessary for their erection; 900 mess kits complete; 6 litters; 20 tent flys with poles for wall tents; and 30 garbage cans: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered from the nearest quartermaster depot at such time prior to the holding of said encampment as may be agreed upon by the Secretary of War and the chairman of the said housing committee, Mr. Maurice C. Poss: *Provided further*, That the Secretary of War, before delivery of such property, shall take from said Maurice C. Poss, chairman of the housing committee of the annual Confederate reunion, a good and sufficient bond for the safe return of said property in good order and condition and the whole without expense to the United States.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. LONG. Mr. President, I do not desire to proceed further this evening. Nearly all Senators have left the Chamber, and it is after 5 o'clock. I suppose we are going to stop at about the usual time. I am not taking very much time in discussion of the bill. The few Senators who are here will agree with me that I have been speaking to the point.

Mr. McNARY. Mr. President, I may say to the Senator from Mississippi that I think the Senator from Louisiana will be satisfied to continue his remarks on Monday. I do not think he would consider Saturday as a desirable day for the conclusion of his remarks under the circumstances.

Mr. HARRISON. Mr. President, am I to understand that the Senator from Louisiana has concluded his remarks?

Mr. LONG. No; I have not. However, I am not going to speak very much longer.

Mr. McNARY. I am satisfied the Senator from Louisiana can conclude in a short time Monday. We have worked hard all week. I will state frankly to the Senator from Mississippi that I believe if we shall adjourn until Monday, so that we may have an opportunity tomorrow to catch up with the work in our offices, we will expedite the consideration of the tariff measure.

Mr. HARRISON. I will say to the Senator from Oregon that I have no desire in the world to cut off any Senator who desires to discuss the bill legitimately; and I do not believe there has been any illegitimate discussion of the bill or any unnecessary delay in its consideration. I can appreciate that there are certain Senators who, because of circumstances, perhaps, are not ready to proceed with the discussion of the bill at this time. Of course, the Senator from Oregon is aware of the fact that he was informed, and the Senate as a whole was informed, that we would take up this bill for discussion yesterday; and that date was fixed for the convenience of certain Senators.

I know that in the case of a bill of such magnitude and importance it is necessary that Senators shall express themselves. I desire to have the bill passed next week. I see no reason why it should not be passed next week. The Senator smiles, and makes me doubt my own statement. I may be wrong.

Mr. McNARY. I smiled because the Senator from Mississippi was speaking so eloquently.

Mr. HARRISON. I really thought the discussion of the bill might take 4 or 5 or 6 days, and it seems to me that that is ample time. While I do not wish to make an unreasonable request, I had hoped that at this time we might get an arrangement that beginning some day next week the debate might be limited. If the Senator desires to have Wednesday fixed as such date, or if he desires to have Thursday fixed, that will be all right; but I thought general debate might continue until that time, and then that there might be imposed a limitation of, say, 15 minutes upon amendments and 30 minutes upon the bill.

If such an arrangement may be made, we can be assured that by the end of next week—say, by Friday—we will reach a conclusion on the bill and get it out of the way.

Mr. LONG. Mr. President, I hope there will not be any unanimous-consent agreement made this evening with so many Senators absent. Perhaps we can reach a unanimous-consent agreement on the subject next week.

Mr. McNARY. Mr. President, I have conferred with the Senator from Mississippi, and I think it is quite impossible to enter into such an arrangement today. I should look with great favor upon such an arrangement if proposed during the first part of the coming week. A number of Members of the Senate are away who desire to discuss the bill. Before entering into an agreement, I should like to confer with them for the purpose of finding out the length of time they will require.

Aside from that, may we not recess or adjourn now until Monday?

Mr. HARRISON. Let me ask a question of the Senator, who is thoroughly familiar with what his side of the Chamber is going to do with reference to the discussion of this bill. Of course, we have heard various rumors. I have heard them contradicted. Does or does not the Senator think that we should be able to finish the consideration of this bill by the end of next week?

Mr. McNARY. I have not heard any rumors.

Mr. HARRISON. I will say quite frankly, for I have nothing to conceal, that I have understood that one of the Senators on the other side has 2,000 amendments which he is planning to offer to the bill. If there should be such an intention upon the part of any Senator to filibuster the bill, I may say quite frankly that I should try to hold the Senate in session tomorrow, and continue its consideration with a view of passing it.

Mr. McNARY. I will assure the Senator on my own responsibility that there is no Senator on this side who has 2,000 amendments to offer.

Mr. HARRISON. I did not believe the statement when I heard that there was such an intention, because I cannot imagine any Senator being so foolish as to plan to offer a great many amendments to the bill.

Mr. McNARY. I can also assure the Senator that there will be no filibuster. There will be an adequate presentation of the positions occupied by the Members of the Senate. If the Senator will move an adjournment now until Monday, we can resume the consideration of the bill at that time and go along in a businesslike way, and I am sure that some day soon we shall finish the discussion of the bill and have a vote upon it.

Mr. HARRISON. In other words, it is the Senator's opinion that that is what will happen, and he will cooperate to the extent of trying to reach an early conclusion of the bill; not, of course, taking away from any Senator the right to discuss the bill legitimately.

Mr. McNARY. As soon as Senators on this side and others have an opportunity for a full presentation of the views they entertain, I shall cooperate to obtain an early vote. That is as far as I can go; and it constitutes no pledge other than that there will be a straightforward exposition and discussion of the bill.

Mr. HARRISON. I do not ask the Senator to give any pledge, but I had hoped we could get a unanimous-consent agreement of the kind I have indicated.

Mr. McNARY. We could not do that at this time.

Mr. HARRISON. I appreciate the fact that the Senator is cooperating in trying to bring the bill to a conclusion. Does not the Senator think that if we should meet tomorrow there are certain Senators on his side of the Chamber who would like to discuss the bill at that time, and thus reach an earlier conclusion upon it?

Mr. McNARY. No; I think it would be just a waste of time to meet tomorrow.

Mr. HARRISON. The Senator really thinks we would get to a conclusion sooner by not holding a session tomorrow?

Mr. McNARY. I am sure of that; and it would give us a much-needed opportunity to catch up with our office work.

Mr. HARRISON. The Senator is aware of the fact that there was a tentative understanding that on Monday the electoral-college joint resolution would come up.

Mr. McNARY. Yes; that measure has been made a special order for Monday.

Mr. HARRISON. Does the Senator contemplate that it will take much time?

Mr. McNARY. Let me say to the erudite Senator from Mississippi that his imagination is as good as mine.

Mr. HARRISON. My imagination was that not much time would be required. I did not think the discussion of the joint resolution would take over a couple of hours.

Mr. McNARY. Then I coincide with the Senator. I have not any idea on the subject; but I do think we ought to take a recess or adjourn until Monday.

RECESS

Mr. HARRISON. In view of the assurance and the fine spirit of cooperation manifested by the distinguished leader of the minority, joined in by the Senators who surround him—all of whom seem to approve his utterances—and in the hope that my action may expedite the disposition of the bill, I now move that the Senate take a recess until 10:45 o'clock on Sunday morning.

Mr. LONG. Sunday morning?

Mr. HARRISON. Yes, Mr. President; we have a special order for Sunday morning.

Mr. LONG. I do not want my church hour disturbed; but that is all right. [Laughter.]

The PRESIDING OFFICER. The question is on the motion of the Senator from Mississippi.

The motion was agreed to; and (at 5 o'clock and 16 minutes p.m.) the Senate took a recess until Sunday, May 20, 1934, at 10:45 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate May 18 (legislative day of May 10), 1934

COLLECTOR OF CUSTOMS

William J. O'Brian, of Buffalo, N.Y., to be collector of customs for customs collection district no. 9, with headquarters at Buffalo, N.Y., in place of Fred A. Bradley.

This nomination is to correct an error in spelling of surname as previously submitted on February 26, 1934.

UNITED STATES MARSHALS

R. Kenneth Kerr, of Ohio, to be United States marshal, southern district of Ohio, to succeed Paul H. Creswell, resigned.

William Ryan, of Illinois, to be United States marshal, eastern district of Illinois, to succeed Arthur M. Burke, resigned.

PROMOTIONS IN THE REGULAR ARMY

To be captain

First Lt. Ployer Peter Hill, Air Corps, from May 10, 1934.

To be first lieutenants

Second Lt. Robert James Dwyer, Air Corps, from May 10, 1934.

Second Lt. John Honeycutt Hinrichs, Field Artillery, from May 12, 1934.

Second Lt. Frederick Lewis Anderson, Jr., Air Corps, from May 16, 1934.

MEDICAL CORPS

To be lieutenant colonels

Maj. John Berwick Anderson, Medical Corps, from May 10, 1934.

Maj. Walter Paul Davenport, Medical Corps, from May 12, 1934.

Maj. Austin James Canning, Medical Corps, from May 15, 1934.

Maj. Lanphear Wesley Webb, Jr., Medical Corps, from May 16, 1934.

DENTAL CORPS

To be lieutenant colonels

Maj. Leigh Cole Fairbank, Dental Corps, from May 11, 1934.

Maj. Terry P. Bull, Dental Corps, from May 15, 1934.

VETERINARY CORPS

To be major

Capt. Frank Marion Lee, Veterinary Corps, from May 16, 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 18 (legislative day of May 10), 1934

COLLECTOR OF CUSTOMS

William J. O'Brian to be collector of customs for customs collection district no. 9, with headquarters at Buffalo, N.Y.

COAST GUARD

To be ensigns

Walter Stephen Bakutis.
Edgar Vigo Carlson.
Thomas James Eugene Crotty.
Ever Samuel Kerr, Jr.
Clarence Milton Speight.

SENATE

SUNDAY, MAY 20, 1934

(Legislative day of Thursday, May 10, 1934)

The Senate met at 10:45 o'clock a.m., on the expiration of the recess.

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 5 minutes to 11 o'clock a.m. today.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

On the expiration of the recess the Senate reassembled.

Mr. ROBINSON of Arkansas. Mr. President, I move that at the conclusion of the ceremonies to be held today in the Hall of the House of Representatives, the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock a.m. today.

The motion was agreed to.

On the expiration of the recess the Senate reassembled.

JOINT MEETING TO COMMEMORATE ONE-HUNDREDTH ANNIVERSARY OF DEATH OF LA FAYETTE

Mr. ROBINSON of Arkansas. Mr. President, in conformity with House concurrent resolution 37, providing that the two Houses of Congress shall assemble in the Hall of the House of Representatives at 11 o'clock a.m. today to participate in exercises in commemoration of the one hundredth anniversary of the death of Gilbert du Motier, Marquis de La Fayette, I move that the Senate proceed in a body to the Hall of the House of Representatives.

The motion was agreed to.

Thereupon the Senate, preceded by its Sergeant at Arms, the Vice President, the Secretary, and the Chaplain, proceeded to the Hall of the House of Representatives.

RECESS

At the conclusion of the exercises in the Hall of the House of Representatives, the Senate, under the order previously entered, stood in recess until Monday, May 21, 1934, at 12 o'clock meridian.